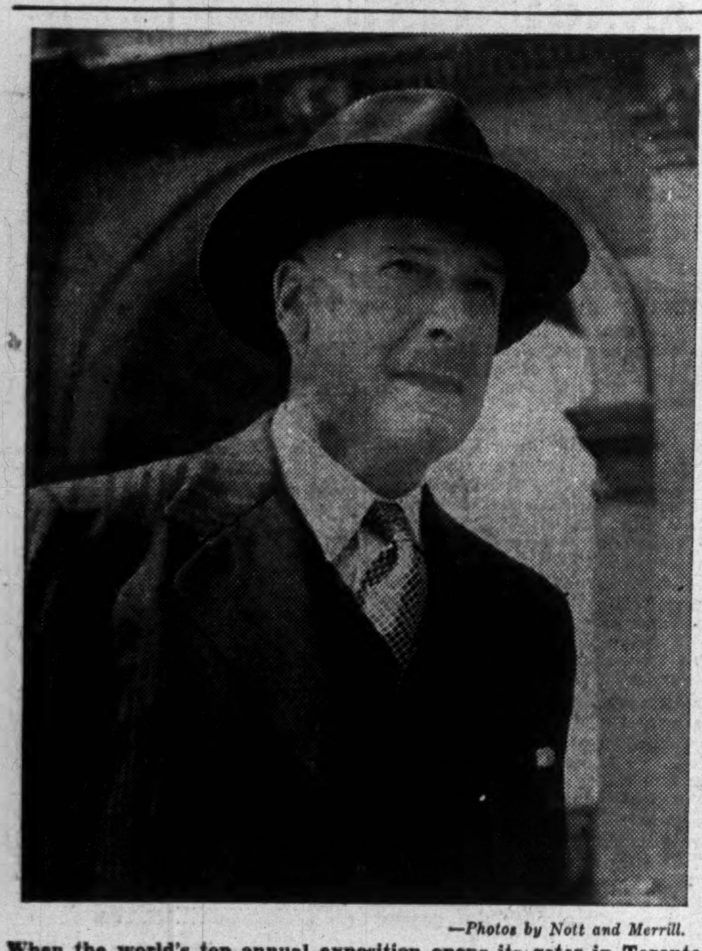
Chief of 'The Ex'



—Photos by Nott and Merrill.

When the world's top annual exposition opens its gates in Toronto two weeks hence, tall, ruddy, military Kenric Rudolphus Marshall will be host to an estimated 2.5 million visitors with $7 millions to spend. Col. Marshall, Toronto born leader in business, military, country life, and club circles, is president of the Canadian National Exhibition which this year boasts an all-time record 1,200 major exhibitors. His business interests include fuel and furnaee companies, trust and insurance firms, steamships, locomotives, flour and lumber. He is president of the Ontario Jockey Club.

The Financial Post

The Canadian Newspaper for Businessmen and Investors

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THE NATION'S BUSINESS

St. Laurent Should Take Over at Once

Canada is now entering upon a new, important and critical era in her political life. The King era is closing. The Liberals have called a new leader; the Conservatives are about to.

Both men come on the political stage at a time of tremendous potentialities for national development; but also at a time when our nation is gravely threatened by political and economic forces from both within and without.

It confirms the worth of the democratic party system that it should bring forth men of the high calibre of Louis St. Laurent. Obviously, the Liberal party is worried, knows the fierceness of the next election contest. Obvious to any convention visitor was the preoccupation of delegates with building up the vote-getting organization, with "politicking" in the best and worst sense of that term.

But by overwhelming vote on the first ballot, these party workers selected as their leader one with a very brief career in public life, a man to whom never yet has been applied the term "politician," a man who is no platform spell-binder, a man who neither can nor does claim any skill in "machine politics."

What they selected was a Canadian with outstanding qualities of head and heart; one of the towering characters of the generation; a man who will stand tall and important in any gathering of world political leaders.

Let's Hope Intolerance Dead

Whatever Mr. St. Laurent achieves or fails to achieve in the way of political office, Canadians generally will have confidence in his capacity and in his integrity.

Laurier always believed he was handicapped because he was French and Roman Catholic; that while little was said about it aloud in the campaigns, whispers swelled prejudices into cankerous sores.

Let us hope Mr. St. Laurent's race and religion never become an issue in the campaign ahead. We are two main races and religions, married to each other and with no thought or possibility of divorce. The times are too grave for bigotry and intolerance. National unity is too necessary to our national health, development and security.

For both Liberal and Conservative parties, the months ahead are challenging. During the long era of waiting for Mr. King's retirement and the selection of his successor, the Liberal organization has certainly added nothing to its steam pressure. Mr. King will serve his party well by prompt and complete withdrawal. Anything else will handicap the party in getting down to work, nor would it be good for Mr. King. Similarly, the Conservatives need to get down to business after months of apathy, disunity and doubt of their leadership.

Faces Big Housecleaning

Both parties have a big and important organizational job to do. And neither will do it well or adequately if they try leaving it to paid organizers, "public relations" operators and speechmaking by the party greats. Liberals and Conservatives will both eventually be licked by revolutionists of the left unless they do the work necessary to win the interest and stimulate the political sense of the great mass of Canadians.

That can be done and disaster can be averted if Liberals and Conservatives will appeal to and make room in their organizations for the thousands of Canadians of good will and responsibility who are eager to serve this country and whose sole invitation to participate in the political life of this country up to now has been a radio howl, "Vote for me" at election time.

Party work in the months ahead is important not only to the outcome of the next election. It is important to the future welfare of this country.

* * *

Throw Ban Out Completely

Bowing to the inevitable, the National Dairy Council has advised the Dominion Government to lift the ban on margarine. There is some suggestion of other alternatives to meet the coming butter crisis but these are relatively unimportant and impracticable. Lifting this ban, which should never have been applied and has been indefensible on any grounds, is the first action to be taken.

With this move of the National Dairy Council, an organization long considered a major opponent of margarine, the 60-year-old fight against the butter substitute will probably collapse. Entry of Newfoundland, where margarine is manufactured and sold freely, was going to complicate matters anyway and the present constitutional appeal to the Supreme Court was almost certain to prove embarrassing.

It would have been preferable, and much more courageous on its part, if the Dominion Parliament had faced the issue and rescinded the legislation it should never have sanctioned. Now the Cabinet will have to face the responsibility and it should face it without delay. The ban on margarine should go immediately and completely.

Television in Canada By Next Summer?

Arrival of U. K. Manufacturers in Television Field May Speed Plans – Dollar Shortage Delays U. S. Program for Expansion

By CYRIL BASSETT

Television here early next summer?

That's the hope of Toronto would-be video broadcasters. And two top-flight British manufacturers, betting on this immediate development, are making a bid for the market for receivers, have Canadian factory plans well under way for going into early production.

A third U. K. firm is exploring the market and a fourth is making a bid to supply transmitters.

These are direct developments of:

1. A thorough-going canvass of the British supply situation by Canadian private broadcasting interests earlier this year;
2. The Canadian International Trade Fair;
3. Recent easing of U. K. currency restrictions on firms wishing to set up shop here.

The two receiving set firms, Pye Ltd., and A. C. Cossor Ltd., are both acknowledged leaders in the television field in Britain, have been long established in radio, were engaged in British wartime radar development, Cossor engineers building the world's first radar receivers for the British Government.

Pye Ltd. whose Canadian subsidiary will be known as Pye (Canada) Ltd. has leased factory space at Ajax, war surplus community 20 miles east of Toronto.

Pye's initial plans call for taking over 14,000 sq. ft. at Ajax in the former Defense Industries Ltd. shell-filling plant. Employment will be provided for not more than 50 workers at first.

Cossor, which has sets ready for the market, has set up a factory at Halifax where, in addition to television sets, it will produce a wide range of electronic equipment for marine and industrial use. The company has been in Canada in electronics for two years now as Cossor (Canada) Ltd.

British contender for transmitter sales is Electrical & Musical Industries Ltd., counterpart of RCA Victor Co. Ltd. with whom it is connected in the phonograph field.

EMI's managing director was in Canada recently surveying the field and negotiations are now reported to be actively under way for sales of EMI transmitters to CBC.

In this respect EMI is in direct competition with RCA Victor and Canadian General Electric.

Are British Taking Gamble?

Canadian radio men, who've had their own television plans on ice for some time, are watching these developments with keen interest.

Some are inclined to think the British are taking a pretty big gamble.

Some are frankly amazed. They can't see any rhyme or reason in anyone attempting to get into the Canadian radio goods market in its present unhappily glutted state. Others are wondering just what it is the British have in this field that makes them so confident. What's the score?

First of all, little progress can be made in television until the Department of Transport gives its rulings in October on applica-

Continued on page 2, col. 4

PRICES

Cost-of-living index splashed its way into the headlines this week as DBS reported a monthly jump of 2.6 points to an all-time high of 156.9, for July 2. As a topic of conversation the new index probably surpassed a combination of the Kinsey Report, the Berlin "cold war," and the Olympic games, as price-harried consumers wondered where the whole situation would end up.

For budget-slicing Canadians the price picture looked like this:

(1935-39=100)	July 2 1948	June 1 1948	July 2 1947
Combined index ...	156.9	154.3	135.9
Food	201.3	193.9	159.8
Rent	120.9	120.9	117.8
Fuel, light	124.5	124.3	117.3
Clothing	175.4	174.8	143.2
Home furn., services	162.8	162.0	142.5
Misc.	123.1	122.7	117.2

But even this isn't up to date. Since July 2 there have been a good many changes and more to come.

Food index jumped 7.4 points in June, taking the blame for the big part of the total boost. DBS reports that in the main the increase was caused by rising prices of meats, eggs and potatoes. What's happened to these commodities since the index date?

Potatoes during the last month have seen a general lowering as new potatoes are reflected in price level.

Meats, after a short-lived slump, are back in peak price brackets. In spite of consumer switchover to cheaper meat cuts, rumoured cattle embargo removal has artificially maintained prices at high levels. If the cattle border is opened, as expected, pent-up U. S. demand will largely take the price decision out of Canadian hands. Prices will move closer to the record highs of U. S. meat market.

Eggs have taken rapid jumps since the compilation of the index. Export conditions and short supply have taken the retail price close to 80c a dozen. Dealers say that customers are shifting to the "B" and "pullet" grades, but there is no indication of price slackening. Indeed, there is a possibility of a $1 a doz. price.

Add to these factors the increased prices of lard (4c to 9c), shortening (13c to 20c), and possibly bread and pastries (see below), and you get something of the food picture for the next couple of months. The indices of Aug. 1 and Sept. 1 can be expected to show a considerable increase.

Rents remain pegged at 120.9. But does the index tell the true story? It does and it doesn't.

The figure takes all the "open" information, welds it together and presents it fairly and completely. But who can open the "closed" book that daily takes its dollar toll from thousands of young Canadians in the form of "key" money, rent premiums for

Continued on page 2, col. 5

What Will Be Future Pattern Of United Kingdom Trade?

British Distribution of Dollars in Sterling Area One Problem to be Considered When U. K.'s No. 1 Planner Comes to Canada

By KENNETH R. WILSON

OTTAWA (Staff)—The pattern of Canada's future economic relations with Britain and the sterling and European areas is the broad field to be covered by British and Canadian officials when Sir Stafford Cripps visits Ottawa during the week of Sept. 20.

Officially, these talks will be described as merely "an exchange of information." Most likely they will assume far-reaching importance and significance.

Sir Stafford is expected to confine his attention primarily to financial matters. He will come here as Chancellor of the Exchequer rather than in his former role as President of the Board of Trade. However, as Britain's No. 1 economic planner, the range of his interests and influence is much greater than even the wide purview of the British Treasury.

The first matter of interest and concern is expected to be Canada's intentions respecting direct or indirect contributions to ERP.

Both United Kingdom and the United States have been told that Canada could make no decision on this point until the size and value of the 1948 wheat crop is known. But this decision cannot be much longer deferred. The Americans in particular are anxious to know what sort of contribution we are prepared to make, in order to line up other western hemisphere countries now participating in "offshore" purchases, without making any direct dollar contribution themselves.

One point which arises here immediately is that while any Canadian contribution to the ERP "pool" must increase the availability of aid for European countries, there might be a penalty for the United Kingdom if Canada were to merely resume loans to U.K. as in the past.

To explain; Supposing Britain's present receipts from ERP funds are $100 millions a month. This represents largely, if not entirely, an interest-free gift. But if these receipts were to be reduced by the amount of a Canadian "contribution" she would be no better off since the only way in which Canada can presently make a contribution is to extend more credit to the United Kingdom.

Under these circumstances, even though the total amount of ERP aid would be expanded, Britain herself might be somewhat worse off in having to substitute an interest-bearing Canadian debt for a free U.S. gift.

Trade with Sterling Area

On the Canadian side, Ottawa officials are chiefly concerned about a clearer picture of Britain's present fiscal position and her relations with the sterling area.

There are immediate problems like treatment of the British West Indies and other colonial areas. There are much more fundamental problems of the eventual pattern of Britain's balance of payments. Canadian officials undoubtedly feel it most important that they get more light on Britain's chances of bringing her accounts into balance by 1952 and if not, what steps are being taken to correct this. It is in the answer to this question that Canada-U.K. trade relations must eventually rest.

Canadians have for some time alleged that the British Treasury has been considerably less than fair in its distribution of dollars within the colonial and sterling bloc, and that while substantial dollar amounts have been spent on all major undertakings within this area, the British have put the screws down to wipe out traditional trade patterns such as Canadian exports to the British West Indies.

Also of importance would be a first-hand exchange of information about the future of sterling

The first limitation here is of

Continued on page 2, col. 3

U. K. to Send Top Official On Trade Here

OTTAWA (Staff)—A drive to sell greatly increased volume of U. K. capital goods in Canada will be spearheaded soon by the official visit of Sir James Helmore, senior representative of the British Board of Trade, who is expected here next week.

Sir James is well known to Canadian officials, having headed the British trade delegation to Geneva in 1947. As chairman of the Export Committee of the Board of Trade, he is the top authority on export allocations; the man chiefly responsible for implementing the recent British decision to make Canadian exports the No. 1 priority.

It is admitted that performance of this policy has been very uneven. Some exports have been boosted; others have lagged. Sir James hopes to discover the snags and get lines cleared for substantially increased sales.

Machinery is one of the major items in which the British are interested. This includes all types of heavy machinery for electrical hydro-power installations, etc. Also included are such important items as television transmitters. It would obviously be a most important feather in the British trade cap if the birth of television in Canada were to find this country using British equipment. The British have been many years ahead of the United States in development of this type of equipment and private representatives have been making a drive recently to sell equipment and/or establish plants in this country.

First major problem to be overcome here is the technical one of adapting British television to U. S. standards. There is no question as to quality of British equipment, but it is on a very different basis to U. S. equipment. Presumably if the British were to begin manufacture in Canada, they would be prepared to build equipment to U. S. standards. In that case it would be a matter of what sales volume they could build up, so as to get their costs on a comparable basis to those of the U. S.

So far, the British are said to be merely "feeling their way" so far as the biggest Canadian customer (CBC) is concerned. No formal proposals have been made; merely isolated enquiries and a few discussions. During the Helmore visit there is no question that the whole question of textiles and other British exports will be explored.

Inside News

What Now, Liberals?

What really happened at last week's national Liberal convention? How did the three candidates for the leadership register with the 1,227 delegates, and with onlookers? How did "young" Liberalism fare? What impact is the convention likely to have on Canada's future? A nonpartisan observer answers these and other questions (p. 3).

Tories' Turn Next

National political conventions are much rarer in Canada than in the United States; but in the same Ottawa arena where Liberals last week chose a new leader, Progressive Conservatives will meet, seven weeks hence, to do likewise. How will the machinery function? In what respects will it resemble, in what differ from, that of the Liberal gathering? (p. 13).

What Price Union?

What will be the economic effect of union between Newfoundland and Canada? What regions will benefit most, and in what regard? Informed Canadians discuss the subject, in answer to a Financial Post questionnaire (p. 8).

What Makes Stock Good?

Leading Canadian brokerage and investment firms recently named, for The Financial Post, the stocks which they considered the soundest investment, from the viewpoint of security and capital appreciation over the next three years. The Post this week analyzes the position of another of the 20 stocks which headed the list of replies (p. 14).

Is Germany Recovering?

What is delaying Germany's economic recovery? What is it costing the democracies? What is Germany doing to help herself? M. R. Chipman answers these questions from first-hand observation on the scene (p. 9).

Tax Fight in Vancouver

That ominous rumble you may hear from the Pacific Coast, isn't either an earthquake, or the repercussion of an atomic bomb; it is a gathering storm of protest by Vancouver businessmen, against the city's new business tax. The levy, some say, has boosted their business fee 2,000%. Three applications to the courts are pending, to test the validity of the impost (p. 24).

Hyderabad Hot Spot

Winston Churchill and Premier Attlee have clashed heatedly over the fate of Hyderabad, in the dominionization of India. Sir Stafford Cripps is reported seeking a solution of the Irish partition problem. The Olympic games are proving a strong tonic to English morale. London Calling, by Adelphi (p. 24).

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Supreme Court May Fix Scope Freight Probe

OTTAWA (Staff) — The dilemma which confronted the Government on the contentious freight rate issue is this: The Department of Justice, when asked for a ruling, is reported to have said that a Royal Commission was impossible because of the limitations of the Public Enquiries Act. This Act limits the Government in setting up a new enquiry body in a field which is already covered by statutory authority.

In face of this advice, and the overwhelming pressure from the provinces for such a commission, the Government had several courses open.

1— It could ask the Supreme Court to rule on the Justice Departments' opinion.

2— It could devise an entirely new type of Royal Commission — something more akin to the Duff Commission, which explored the entire rail problem.

3— It could wait until Parliament meets, and pass enabling legislation to authorize the type of enquiry demanded by the provinces and endorsed last week by the Liberal convention.

It now appears that the Government has decided to take the first of these courses.

Insurance Firms Not Canceling Policies in B.C.

There is no foundation for reports in British Columbia that life insurance companies are canceling group insurance in that province because of the entry of the Government through its new hospital plan.

This was announced in Toronto at midweek by R. L. Foster, general counsel, Life Insurance Officers' Association in reply to an enquiry from Vancouver as to reports that such action was in the making.

"However . . . I think it follows inevitably," he added, "that private enterprise, as represented by the Blue Cross and insurance companies, cannot possibly offer benefits equivalent to those provided by the Government at anything like comparable premium costs.

"Therefore, it appears that all persons in B. C., including employers . . . will find it to their advantage to register for the Government plan . . . I think it must be assumed that some employers will wish to have their policies amended to provide reimbursement for the excess cost of private and semiprivate ward accommodation, while others will wish to cancel out the hospital benefits in existing policies."

March Earliest Date for Nfl'd To Join Canada

ST. JOHN'S — Union between Newfoundland and Canada will not be practicable until March 31 next, at the earliest, the Commission of Government stated here this week. This announcement is expected to ease somewhat the stagnation in business circles, as importers will feel free to import their winter supplies without fear of possible losses due to early suspension of customs duties.

'War' Houses 8,500 in '48

OTTAWA (Staff) — It now appears that Central Mortgage & Housing will plan about 8,500 rental units under its 1948 program with Canadian municipalities (The Financial Post July 24). This is considerably below the original goal of 12,000 units. It is claimed however, that it is large in relation to most areas in that the number includes almost none in the big centres of Montreal, Quebec, Ottawa London or Hamilton.

New figures just prepared show that at mid year there were 51,950 houses and apartments under construction in Canada. This is substantially more than a year ago.

To the end of June there had been 39,650 new houses started and 30,500 units completed.

In the rental building program there was a carryover as at Dec. 31 of 5,354 units. New units started up to June 26 were 2,093. Units finished to that date were 4,414.

This means that there are roughly 6,500 new rental units to be started between now and fall under the whole municipal program.

U. S. 'Invasion' of Western Oil Country Seen 'Threat' to Our Future Well-being

By GORDON M. GRANT

CALGARY (Staff)—"Nowhere in the democratic world today are as large grants for oil exploration being made as in Western Canada. Nowhere is it possible for outsiders to get into the oil business so cheaply as in Western Canada. That is why Western Canada has been invaded by so many big U. S. oil companies. That is why, in southern Alberta, a large proportion of the favorable ground has already been parceled out with little left for Canadians.

That is the western oil situation today, as seen by one of Canada's leading oil executives who asked that his name be withheld.

"There has been a strong tendency to express gratification at the higher level of exploratory activity attained—due chiefly to the activities of newcomers from the United States. I think, rather than be gratified at this development, we should be alarmed. Are we to sit back apathetically and see one of our greatest national assets—oil in the ground—owned by outsiders? Why aren't we harnessing our own great reservoirs of risk capital to tap our rich oil resources?"

"If $60 millions has been spent on Western oil exploration to date," he continued, "proven reserves of the Leduc field mean there has been a pay-off of better than 10 for one on each oil exploration dollar spent. Surely that is an attractive enough picture to draw Canadians into the financing of oil exploration."

"Have Lost Courage"

Asked why he thought Canadians hadn't backed recent oil exploration to a greater degree, he answered:

"We have lost our courage as a nation. Vision appears to be lacking. We need more self-reliance. If we lose our willingness to take a chance, we are going to destroy all the security in the nation. Taxes are so high that the ability of the general public to take a chance has been curbed."

The oil executive wasn't pulling any punches even when they came close to home. He readily admitted that the tax situation with respect to the oil industry had been made much better than a few years ago; but pointed out that dry-hole write-off provisions tend to make the oil exploration game a lot more attractive for the oil company with an established income than for the small independent struggling to finance his wells.

While the executive represents one of the largest and more successful western oil companies, he voiced the opinion that the small independent oil operator had shown himself a much better hunter for wildcat oil: "Ninety per cent of all the oil pools in the United States have been found by the small operator. The big oil company has been the poorest explorer in the world despite seismic surveys and other advantages."

"Too Much Brokerage"

One of the reasons this executive thinks that the average investor isn't putting his money into oil exploration today is "because too much money has been lost in brokerage offices." In the future, he declared, we must see that the money put up by the investor goes into actual work. He saw distinct advantages in a revival of the system of financing by oil royalties; and revealed representations are being made to Ottawa to remove the extra burden of taxes placed on oil royalties at the time George Cottrell was Oil Controller.

Royalty financing disappeared when extra taxes were added, he noted, adding that increased public participation in oil well financing might very well come about via royalty financing. At the same time he warned that

Continued on page 2, col. 6

U. K. Auto Firm Expands Here

Rootes Motors Ltd., Canadian subsidiary of Rootes Ltd. (Export), England, distributors of the British Hillman autos, recently introduced to the Canadian market, has leased 70,000 sq. ft. of the Rolls Royce factory in Montreal for use as a main spares depot.

The company meanwhile announces that it is "on the lookout daily" for a site for its projected Canadian assembly plant in which it will assemble and eventually manufacture Hillman cars and parts.

Pace of Business

Canadian wheat stocks in store or in transit in North America at midnight July 29 totaled 34,799,360 bushels (compared with 36,600,951 the week previous and 55,762,136 bushels on the same date of 1947).

Retail sales in Canada during June jumped 16% over June of last year and 1% over May, 1948. Besides, DBS adds, total retail trade for the first half of 1948 was 12% over the same period a year ago.

Railway revenues, according to DBS, rose to a new high in May of $71,000,800 ($66,864,000 in May of last year). Freight revenues went up 7.8% from May, 1947, despite reductions of 5.9% in tons carried of 14.7% in revenue ton miles.

Construction awards during July were up $17.2 millions from July, 1947, to $89,791,100; for the first seven months up $171.1 millions to $572,826,700, according to Maclean Building Reports Division of Hugh C. Maclean Publications.

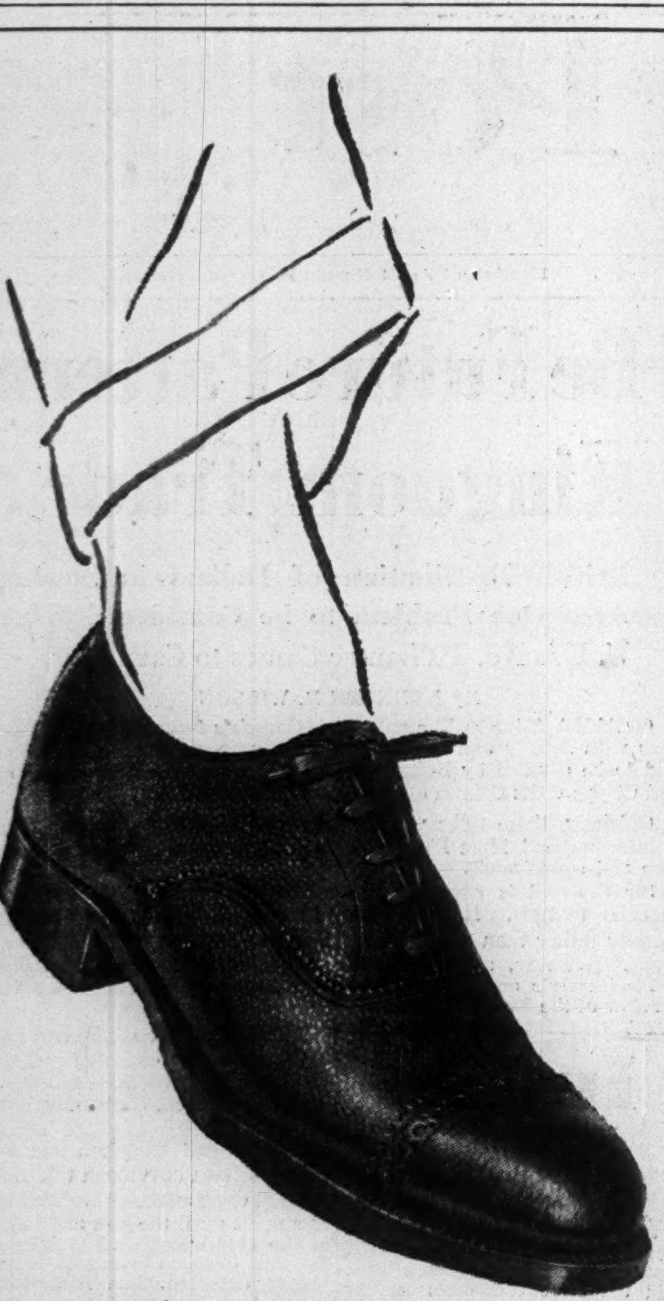
Stocks of creamery butter in nine cities of Canada on Aug. 1 totaled 27,600,000 lb. (16,334,000 on July 1 and 38,608,000 on corresponding date of 1947), according to DBS.

Canadian sawn lumber production, excluding sawn ties, amounted to 504,691 M ft. in May (353,349 M in April, and 448,623 M in May of last year).

Factory shipments of Canadian-made motor vehicles in June totaled 23,362 units (as compared with 21,368 in May and 21,137 in June, 1947), reports DBS.

Carloadings on Canadian railways totaled 75,976 cars for the week ended July 31 (78,433 in preceding week and 79,011 in the corresponding week of 1947).

Canadian gold production amounted to 285,566 fine ounces in May, (compared with 286,065 in April and 268,910 fine ounces in May, 1947), according to DBS.



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When you visit EATON'S, be sure to inspect our large assortment of fine footwear . . . fairly bristling with famous names like Ritchie, C. & E. Lewis, Saxone, Lotus, Scott-McHale, our own Gleneaton, and many others. You're more likely to find the shoe for you at

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Obituaries

Victor B. Persse, 56, Winnipeg, president of Tees & Persse Ltd.

Frederick Walker Baldwin, 66 Baddeck, N.S., former chief engineer, Aerial Experiment Association.

Bernard Gardner, 73, former president RCA Victor Co., Montreal.

ENGINEER DESIRES CHANGE

Ambitious Professional Engineer, age 34, desires responsible position with an established company requiring technical assistance on an executive level. Location preferred in a small town, if possible within easy reach of good hunting and fishing. Desire for change motivated by impersonal attitude of large organization in city where happiness and home-life are submerged under the tiresome striving of all for "Success". Present salary over $5,000 and the opportunity for monetary advancement excellent, but money is of secondary importance to joy of working hard with cheerful companions and loyal friends. Present position, although purely technical, requires an appreciation of sales methods as well as a broad knowledge of metallurgical, chemical and mechanical engineering for which qualifications are held. Has personal friends and acquaintances in most large Canadian companies, technical military departments, scientific government agencies and American industry. Member of ten scientific societies. Has written technical papers for publication, and has given technical talks to engineering societies. Has had U.S. positions offered but prefers to remain in Canada because of faith in its future. If desiring a personal interview or other details, please reply to:

BOX 79, THE FINANCIAL POST, TORONTO

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Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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SOUTH AFRICAN, 38, married to Canadian, 13 years experience office administration, personnel, secretarial, veteran 8 years, good personality, energetic disposition, excellent references, requires position of responsibility and trust with future prospects; available immediately. Box 62, The Financial Post, Toronto 2.

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AGE 33, two years experience as district sales manager in the Maritime Provinces with Canadian manufacturer. Desires position with manufacturer, industrial or commercial firm. Four years sales experience, six years experience in the R.C.A.F. as aero engine and flight engineering, own new car, willing to travel Maritime Provinces, Canada or foreign countries. Box 44, The Financial Post, Toronto.

MANUFACTURING OR INDUSTRIAL MARKETING connection, by engineering-business administration graduate, eight years experience manufacturing and sales, presently employed, Box 77, The Financial Post, Toronto.

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YOUNG MAN. Well qualified to meet public with definite business and private secretarial background. Experienced in personnel evaluation, advertising, marketing and promotional research. Accustomed to responsible position. Desires employment where demonstration of merit and acquisition of experience will lead to future opportunity. Aggressive, capable and thoroughly reliable. Free to travel. Outstanding references. Box 83, The Financial Post, Toronto 2, Ont.

CONSUMER CREDIT specialist seeks greater opportunity. Can assume control of or build credit department as desired. Married, age thirty. Box 84, The Financial Post, Toronto.

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INTERNAL AUDITOR—willing to travel—presently with chartered accountants. Knowledge of costs and sales supervision (Dartnell) seeks opportunity with private enterprise. Box 34, The Financial Post, Toronto 2.

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REQUIRED BY PULP MILL in Quebec Province. We require a man with sound engineering training and extensive experience in the industry with a proven record in Supervision and Organization. The salary for this opening is very attractive and excellent housing is available. Apply in strict confidence to Box 75, The Financial Post, Toronto.

AGENCIES WANTED

AGENCIES WANTED

ALBERTA AGENCY desires additional lines, presently calling on Departmental, Drug and Hardware stores, also carrying lines direct to Industrials. Can also arrange sales representation for Manitoba and Saskatchewan providing commission sufficiently attractive. There is an opportunity here for some manufacturer seeking to establish a market in this area. Your only cost will be earned commissions. Reply Box 66, The Financial Post.

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WINNIPEG FIRM interested in manufacturing. Has excellent facilities, 7,000 sq. ft. covered space. Trackage. Ample room for expansion. Mechanical staff already organized, machine shop, office staff, and substantial marketing potential. Would undertake light or heavy manufacture and would be willing to invest additional capital if necessary. Reply Box 76, The Financial Post, Toronto.

REAL ESTATE

FOR RENT

LARGE CORNER STORE, situated in main shopping district, Timmins, Ontario. Formerly used as departmental store. 2,300 square feet Main Floor and 1600 square feet Basement. Good opportunity for any kind of business. Box 67, The Financial Post, Toronto.

Lake St. John And Brompton Profits Higher

MONTREAL (Staff) — Two divisions of the St. Lawrence Corp. Group showed substantial increases in net profit in half yearly reports this week. Brompton Pulp & Paper Co. showed a 33% increase and Lake St. John an increase of 28%. St. Lawrence Paper Mills net profit was down approximately 10% due to a reduction in dividend payments received in the half year from Lake St John Power & Paper Co.

Earnings per share of Brompton amounted to $3 compared with $2.24 in the first half of 1947. St. Lawrence Paper Mills earned $9.25 per share on the new $6 first preferred ($10.30), $6.25 on the new second preferred ($7.31) and $1.20 on the common ($1.46). Lake St. John's net profit was equivalent to earnings of $9.78 per share on the common. ($7.51)

Following are the earnings statements for the three companies for the half-year 1948;

BROMPTON	1948	1947
Gross earnings	$2,343,621	$1,681,451
Interest	119,603	120,799
Depr. & depl.	456,000	655,651
Taxes	659,029	432,000
Pension fund	10,257	nil
Net profit	899,081	672,651

LAKE ST. JOHN	1948	1947
Gross earnings	$2,221,392	$1,845,741
Interest	156,968	157,385
Depr. & depl.	320,339	298,800
Taxes	676,403	584,000
Net profit	1,067,682	805,556

ST. LAW. PAPER MILLS	1948	1947
Gross earnings	$2,112,144	$1,908,053
Divds. from L. St. John	202,883	367,000
Total	2,315,027	2,347,053
Depr. & depl.	450,000	455,000
Taxes	629,399	605,000
Pension fund	81,067	nil
Net profit	1,154,561	1,287,053

In the first half of 1947, Paper Mills received $108,000 in dividends from Lake St. John which represented the full year's dividend, whereas in 1948 only the half-year was paid. In addition dividends totaling $259,000 were paid to Paper Mills on its holdings of Lake St. John common last year while $148,883 was paid in 1948.

To provide for the cash payments to be made to preferred shareholders of St. Lawrence Corp. and Paper Mills under the recently approved re-organization plan, the following dividends have been declared; Lake St. John, declared $2.50 per share common; Brompton $1 per share common, both payable Aug. 11. In addition St. Lawrence Paper Mills has declared a common dividend of $1 a share payable the same date. The Paper Mills and Brompton dividend payments will go to St. Lawrence Corp. while the Lake St. John payment goes almost entirely to St. Lawrence Paper Mills.

Future Pattern Of U. K. Trade?

(Continued from page 1)

course the ability of Canada to achieve and maintain an export "surplus". The basis of our present dollar conservation plans and our curtailment of credit to United Kingdom is that we couldn't give away something we didn't have. We are now building up a small reserve of U.S. dollars by means of the restriction program and by having curtailed overseas credits. How long we can maintain these restrictions in view of the certainty of an election in 1949, and the unpopularity of these restrictions is another matter.

Effect of U. S. Prices

The 1948 wheat crop is almost certain to be less satisfactory than had been hoped earlier. As well, the terms of trade have been recently moving against us. Recent increases in the price of U.S. steel, coal and oil are said to have cut our prospective U.S. dollar balance by close to $150 million. This would be offset in part by higher prices for newsprint, etc., but on balance, prices have not been moving in our favor.

The chief objective of British policy, it is claimed, will be to explore ways and means of speeding a return to "one world" and the elimination of the present division between dollar and sterling countries.

So long as ERP funds continue, and assuming these do continue until 1951 or 1952, the issue can be postponed. But it cannot be postponed indefinitely and United Kingdom and Canada are two important trading nations who are anxious to explore what lies ahead and what, if anything, more can be done to cushion an eventual return to free convertibility of sterling.

One major issue on which the Canadian Government will shortly have to make up its mind is the nature and size of any proposed Canadian aid program for 1949.

There is only about $200 millions left in the overseas credit "kitty". Almost all of this represents the British line of credit. There is nothing left for other European countries. So it is not enough merely for the Government to decide how this unexpected loan should be handled. There will have to be a very important political decision as to what, if any, additional aid is to be given and what form it should take.

The Cripps talks may have a big part in molding this decision—depending on the facts and figures produced and the lines of policy cleared.

C. L. McCOY

has been appointed general freight agent for the Canadian National Railways.

Video Coming Next Summer?

(Continued from page 1)

tions for transmitting station licenses filed with CBC in May.

Given this go-ahead two Toronto men who've bid for licenses say they can get on the air inside eight months.

But according to some experts it will likely be at least a year after licenses are granted, maybe longer, before television really starts to get going in Canada. This they base on U. S. experience. And, they add, merely getting on the air isn't enough to spark real buying interest in television receivers.

Pointing again to U. S. experience they line up two preliminaries to booming sales. First, compelling programs (and few are yet available in U. S. where television has been going eight years). Second, a multiplicity of stations serving one area to give video buyers a choice for their money.

All this costs big venture money at the broadcast end. At least $1 million is needed to get a station going. Shows cost at least 10 times as much as straight radio. Station upkeep costs are very much heavier.

For these reasons U. S. stations have been treading cautiously, and most of them are expected to show a loss this year.

So, say the experts, it will be several years before Canadian television reaches present stage of U. S. development.

That's the first strike they see against the British venture. Then, they point out, there's the question of manufacturing standards in electrical requirements in sets and the Canadian Standards Association has yet to lay down its preliminary set of standards with which manufacturers must comply.

British are Satisfied

What's the British attitude on all this?

They say they've made a thorough survey of the situation over the past year and are obviously quite satisfied as to their prospects. They maintain they have quite an edge over U. S. and Canadian manufacturers, have overcome all the early bugs in television set manufacture.

Importantly what they're offering is tailored to this market's needs, they state, and competitive with U. S. products in every way.

Cossor television engineers from U. K., for example, have been over here since April last perfecting a set for the Canadian market. Working it on transmissions from Buffalo and Detroit they claim it outperforms any American set they've seen.

For one thing it operates equally well on either 25- or 60-cycle current with it, it is claimed, all 25-cycle flicker eliminated.

Then EMI is offering a transmitter specially built for Canada, is ready to ensure there'll be no delays in servicing and part replacement.

What may well prove a clincher in the British sales argument is the dollar conservation angle—which is believed to be one reason the Canadian authorities have been going slow on television development. The U. S. dollar content in any Canadian-made transmitter or receiver would be extremely high in the initial stages of production—probably as much as 75% per unit, mostly for the picture tube.

The British on the other hand would draw on their own parent companies in Britain for such supplies or manufacture here.

(And here it should be pointed out that the British offerings are designed on the assumption that Canadian television will automatically follow American development. There is therefore no attempt on the part of the British to persuade the Canadian authorities to adopt the British system which differs markedly from the American to the point that neither country's receiving sets will work with the other's transmissions.)

Where do the Canadian radio manufacturers stand in the picture?

There are two schools of thought.

F. R. Deakins, president of RCA Victor has stated that the industry will swing into high gear for television once Ottawa has ruled on licenses; is prepared to place a substantial number of receivers on the market before the year's end. Mr. Deakins foresees a likely $30 to $50 millions business from television in the first year.

On the other hand, speaking for the smaller manufacturer, R. A. Hackbush, vice-president of Stromberg-Carlson Co. of Toronto and chairman of the Radio Manufacturers Association Committee on FM and Television, thinks the industry should move with caution.

Pointing out that the U. S. is still finding plenty of bugs in television Mr. Hackbush told The Financial Post:

"Television is not going to help this industry right now. Sure, we've the know-how in Canada. But let's not fly into it. We can lose (and in recent months have lost) enough money in radio without losing our shirts in television."

Mr. Hackbush figures that the least that would be required for a small firm to launch a television-production program now would be $50,000-$70,000. "And it's impossible to think of spending that kind of money just after taking the beating we have through excise taxes and over-production."

No details are available of the investment figure involved in the plans of the two British firms who will manufacture here.

Cossor (Canada) Ltd. has leased 900 sq. ft. of land from Halifax city council together with another building on the same site (within the boundaries of the former Provincial Exhibition). Here the company will build a laboratory, using the existing building for factory space.

PRICES

(Continued from page 1)

a few sticks of furniture, and the like?

Fuel and light advanced only .2 points, but July fuel increases hadn't been taken into consideration. The next index will have added weight on a new diet of $1 to $1.50 a ton for anthracite, and 25c to 75c on soft coal. Some possibility exists for a new increase in fuel oil prices.

Clothing played its part in the total with an increase of .6. Probable increases in worsteds (10%-15%) and woolens (5%) would take their toll on future indices.

Home furnishings and services showed the only bright spot for the future. With excise taxes off (The Financial Post, Aug. 7) consumers got relief on radios, refrigerators, electrical appliances, etc. In some cases (refrigerators) price cuts had already been offset by cost-forced boosts and washing machines were on the way up (see below).

The over-all picture isn't rosy; it may get a lot blacker. Since August, 1939, the cost-of-living index has increased 55.7% (and it's conservative). How much higher can it go? In the short term, the next few months look certain to bring new drains on the consumer pocketbook; in the long run, only governmental intervention (as is now being attempted in Washington), or a general business break can bring an end to the present trend.

Washing machine prices took the inevitable step this week, as the Thor Washing Machine Co. announced new price gains — effective July 10. A company official stated that marching costs of steel, labor and supplies had forced the increases of $10 at retail on the combination washer and dryer and $5 on the wringer type. Others, looking at costing sheets, were contemplating new boosts.

Cake and pastry flour looked up at a new price tag. Retailers showed various brands at increases of from 7c to 10c a 7-lb. bag.

The new increase was attributed to the high world prices for Ontario winter wheat — the soft wheat used for this type flour. Heavy foreign buying of this wheat (unpegged by any contract price) has sent the price to approximately $2.30 a bushel, as compared to the $2 contract price for hard wheat.

A softening of export demand plus this year's heavy crop could make the situation only temporary, but at the moment bakery firms are contemplating new hikes:

Biscuits and pastries, under the burden of increased costs of flour, lard, shortening, and eggs, will probably jump soon.

Bread prices may rise despite government subsidy. The industry looks toward a 1c boost (24-oz. loaf) because of advanced lard prices.

$2 Millions Flow —Atlantic Output

EDMONTON—By end of July the Atlantic No. 3 well in the Leduc field, had produced 865,732 bbls. of oil and value of oil marketed was about $2,026,000. When refinery purchasers complete payment for July deliveries the Conservation Board will have in trust nearly $2 millions. The Atlantic Oil Co. was paid $113,769 for what it sold early in May.

See Oils, Fats Production Up; Cut Allocation

MONTREAL (Staff) — World supplies of fats and oils are now approximately 33% below prewar, the Food and Agriculture Organization reports. And this does not take into account the increase in the world's population.

FAO states that there is every indication this year that there will be substantial improvements in the domestic production of fats and oils in many countries. As a result, the shortage is expected to be felt less seriously. More supplies may also become available, if growing and harvesting conditions in the northern hemisphere remain favorable; also if present efforts to re-establish production in parts of the South Pacific and Africa make satisfactory progress.

In view of this situation, the International Emergency Food Committee of the FAO Council has announced that the tentative allocation schedule has been revised. Originally this called for distribution of 3.26 million metric tons of fats and oils during 1948. It has now been decided to retain 245,000 tons as a temporary reserve.

Pending fuller data on 1948 crops and supply prospects, it is recommended that liftings by importers be limited to 80% of the aggregate tonnage specified for each country.

U. S. Invades Western Oils

(Continued from page 1)

there should be precautions to prevent runaway markets in royalties, and other abuses. The promoter could be paid for his efforts through the sale of deferred royalties, so that the money put up by the public would be used for actual work, he suggested.

Public Should Share

In one case in Turner Valley, he recalled that a promoter was provided with an entire section (16 well sites) for royalty financing. The public took the entire risk of proving up the whole section in the drilling of the first well, but it only got its share of production from that one well. In the future, if the public takes the big risks, it should get an interest in the larger pay-off too, he emphasized.

While much of the favorable ground has been taken up by the larger companies even well above Edmonton, he pointed out that there will inevitably be releases of ground which will assist the small operator to share in the oil game.

As an industry, oil production was seen as just about as attractive as any in Canada. "Oil in the ground is the best inflation hedge a man can buy," he declared. "In the United States, they often value producing oil stocks on the basis of number of barrels of oil in reserve behind each share. In Canada, thinking hasn't developed sufficiently for investors to pay any important attention to this aspect. The increased number of uses of oil and difficulty of finding it, means that the world is very remote indeed from any surplus and the oil industry has a bright future for a long time ahead. But let's have Canadians sharing in the business."

INTERNATIONAL NICKEL CO. OF CANADA has declared a dividend of 40 cents a share, payable Sept. 20 to shareholders of record Aug. 23.

Look For It Here

Aug. 14, 1948

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Hemisphere M.	5	Snow Lake G.	22
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ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

British American Oil Co. — Clarence Wallace (Vancouver), a director.

British Columbia Government—Gilbert T. Hatcher, director, Bureau of Economics and Statistics.

Canadian Forestry Association—Wm. Manson (Winnipeg), chairman, Prairie provinces division.

Canadian National Railways—C. R. Murray, assistant freight traffic manager; C. L. McCoy, general freight agent; G. M. Douglas, assistant general freight agent; A. Sutherland, assistant foreign freight agent; C. H. Gerneys, assistant chief of tariff bureau, Central and Atlantic regions; Albert H. Ormrod, industrial agent, Montreal district; Edwin B. Harkness, industrial agent, British Columbia district.

Canadian Pacific Railway Co. — A. S. Dawson, geologist, Calgary; J. G. Whimster, assistant development commissioner, Montreal.

Canadian Safeway Ltd.—Walter J. Kraft, Vancouver division manager; Walter J. McCann, division manager, Winnipeg.

Canadian Wheat Board—Clive B. Davidson, secretary.

Carrier Corp.—F. L. Quartermaine, assistant treasurer, International Division.

Commonwealth International Corp. — Clarence Wallace (Vancouver) a director.

Dexter Lock Canada Ltd. (Guelph)—D. A. Mitchell, president; L. M. Dexter, vice-president; E. G. Drewry, treasurer.

Film Laboratories of Canada Ltd. (and Audio Pictures Ltd.)—C. E. Williams, comptroller and general office manager.

Gilson Mfg. Co. (Guelph) — Wm. Kinnear, supervisor, Toronto and district.

B. F. Goodrich Rubber Co. of Canada—W. J. Russell, Fleet sales manager; P. George Cockburn, bus and truck tire representative, Toronto district.

Gutta Percha & Rubber Ltd. — C. A. Sellers, manager, Winnipeg branch.

Johns-Manville Co. — Leonard Williams, manager, Vancouver office.

Montreal Stock Exchange — Roger Belanger, a member.

Pilot Insurance Co. (Toronto) — E. A. Warnica (Detroit) a director.

Prefabricated Home Manufacturers Institute—Harry Thompson (Calgary), member Canadian committee.

St. Regis Paper (Canada) Ltd. —T. Cecil Davis, comptroller and assistant treasurer.

St. Regis Sales Corp.—Norton B. Jackson, advertising manager.

Union Gas Co. of Canada—Jack A. Fleming, supervisor, public relations department (Chatham, Ont).

Waterloo Manufacturing Co. — Geo. L. Gillette, a director.

ESSEX PACKERS LTD. Hamilton, reports a net profit of $74,858 for the fiscal year ending March 27, 1948, against $38,143 for previous fiscal year. Net earnings were up 66.4%. Income tax reserve has been computed on the basis of a standard profit claim applied for and now under consideration by the National Revenue Department, the auditors state.

INCOME ACCOUNT

Years Ended:	Mar. 27 1948	ªMar. 31 1947
Net earnings	$182,813	$109,872
Less: Depr.	62,820	47,165
Taxes	45,135	24,564
Net profit	74,858	38,143
Less: Pref. divds.	34,925	18,750
1st pref. s.f.	4,001	1,939
Surplus for year	35,932	17,454

ªFor period May 15, 1946 to Mar. 31, 1947.

Earnings per Share and Dividend Record:		
1st pref.: Earned	$7.52	$3.81
Paid	2.50	1.87½
2nd pref.: Earned	11.48	4.38
Paid	2.50	......
Common: Earned	0.36	†0.10
None paid.		

†Allowing three quarter year dividends on preferred stocks.

CONDENSED BALANCE SHEET

As at:	1948 Mar. 27	1947 Mar. 31.
Cash & Dom. bonds	$3,400	$9,300
Mkt. invests.	850	200
Accts. rec.	330,562	203,841
Inventories	527,171	238,194
Total curr. assets	861,983	451,535
Prep. & def. assets	49,726	50,314
Fixed assets*	779,285	779,007
Goodwill, formulas	51,168	51,168
Total assets	1,742,162	1,332,024
Bank overdraft	345,766	21,104
Other curr. liabs.	133,720	86,267
Total curr. liabs.	479,486	107,371
Pref. sink. fund.	5,940	1,939
Capital stock	1,198,000	1,200,000
Capital surplus	80	......
Earned surplus	58,656	22,714
*After depr. of	108,833	47,047
Working capital	382,497	344,164

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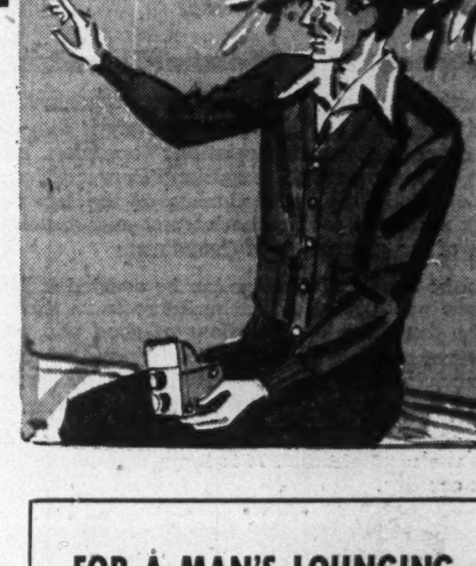

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Simpson's TORONTO

Historian Sees History Made

Here's Some Advice for Political Conventions

How did the Liberal Convention in Ottawa last week look to a historian? As the first such event in nearly 30 years under circumstances never before encountered in Canada, does it qualify as a truly historical milestone? Here The Financial Post presents an exclusive article on the convention by A. R. M. Lower, professor of history at Queen's University and author of the brilliant history of Canada, "Colony to Nation."

By PROF. A. R. M. LOWER

Rule number one for all big public gatherings like a political convention should be: "they shall be held in a suitable building."

Less happy physical surroundings than the Ottawa Coliseum could scarcely be devised. The Conservative Convention of 1942 was held in the Winnipeg Auditorium, where the visitors were kept in the galleries, and the delegates themselves permitted to pass easily out into the surrounding corridors, where their natural desire to chat did not disturb the meeting. As as result there was not the abysmal descent into disorder which characterized Ottawa. However, someone who had seen the Republicans perform at Philadelphia told me that the Ottawa convention at its worst, compared with Philadelphia, gave the impression of "silence in the ranks".

Rule number two should be: "there should be a brass band to fill up the intervals".

This rule the Conservatives in 1942 adhered to with fair results (though they added to it the doubtful entertainment of purely gratuitous eloquence): the Liberal parallel was "resumption of the consideration of resolutions in the few moments at our disposal". How much consideration resolutions got while several thousand people were eagerly awaiting the result of the ballot (inordinately prolonged) may be imagined.

The physical arrangements, such as the loud-speaker system, were far worse than in American conventions, but one impression given me was that the grip displayed on affairs, and the intensity of concentration on business rather than showmanship were much greater. In fact there was no showmanship, and the misguided efforts of Paul Martin's supporters from the border region fell flat. No one rebuked persons who plastered themselves with round cardboard discs labelled "Martin's the Man: l'homme Martin", but it was no atmosphere for such people: they and their badges gradually curled up and disappeared.

* * *

Mr. King Chooses Role: Dominie Talks to Folk

If there was showmanship, it was the showmanship of the Presbyterian Church in Canada at its most solemn moments.

As Mr. King began his speech of farewell, he might have been any dominie addressing his folk and in effect, if not in so many words, he concluded his sermon with prayer. That, of course, is one of the many characters which Mr. King has always been—the old Presbyterian minister. It was the role he chose for the climax of his career and it proved popular with his audience, even if that did include a large Roman Catholic minority.

All the staidness, all the cast-iron inhibition of the Canadian and the emotion that must rage somewhere down inside him came together in that scene—applause where men may properly applaud, at references to the discomfiture of the enemy, profound silence at those passages which referred to the innermost meaning of Liberalism, for here was wrestling with the soul, and then, with the end, the release of tension in loud, enthusiastic but at all times decorous cheering.

I saw one face, which will forever remain stamped on my memory: an elderly clean-shaven man, tall, gaunt, respectable—but not rich—the very quintessence of the Liberal. As the speaker finished, his emotions apparently overcame him, his jaw fell open and his mouth began to twitch but refused to close. Did his face register laughter or tears? It was hard to tell. It gaped—and in such a way as to express, triumph, righteousness, the lift of the spirit, shame of emotion, self-restraint, all at the same time.

No wonder there could be little debate from the floor, with such people predominating. At the height of the Prime Minister's speech, nearly every face in my neighbourhood was a blank, but the attention was rapt. What was going on underneath? I wish I knew. But obviously, iron jaws cannot relax in the cheerful chitter-chatter of English or American debate. So while there were a few bold spirits to query some of the resolutions, most of them went through as a matter of course.

* * *

The real fight over policy was in the relatively small resolutions committee, but the result, as is inevitable, was platitude. Yet scarcely a speaker from the platform failed to remind the audience of the enduring principles of Liberalism (which, I may presume to remind the reader, go far beyond economic individualism) and there was a reality behind this, for if a party, or a man, sticks to principle, it or he will not go too far astray in specific policies.

* * *

Should Aspirants Learn To Speak Fluent French?

The Prime Minister's leave-taking provided one of the two great occasions. The other was the session for the choice of successor. Rumors had swept the halls: Martin would be drafted, Gardiner had a Gideon's band of devoted men behind him, Macdonald would stand. Then came the nominations. Macdonald's name was not put in: this tribal chieftain cannot be spared in Nova Scotia, it is said. Martin, after a very good reception, retired. Howe, Claxton, Abbott, with graceful words, retired; Garson, the only candidate to evidence a glint of humor, retired. The reception of each should convince even the most inhibited of English Canadians that if he is going into public life, he had better learn to speak French, for nothing was clearer than the popularity which this gift conveys.

Incidentally, here add rule number three: "English-speaking people shall promise to keep quiet while speeches are being made in French," for at all such gatherings, from small to large, the English invariably display a standard of public manners which would disgrace a cageful of monkeys.

* * *

St. Laurent at His Best In Speech of Acceptance

"Power will make a splendid speech and will gain no one," said an old hand, "Gardiner will make a good speech and win some waverers, St. Laurent will make a bad speech—and may lose us an election—but he will win easily."

He was not quite right. Power spoke not for himself but on behalf of the principles of freedom and self-government, which mean more to him than a career. It was a fitting and courageous gesture. Gardiner said nothing in a loud voice. St. Laurent, despite his reputation, made a very fair speech, emphasizing national unity: in any case, the speech did not matter very much, for the man in his honesty and sincerity was plain to see.

Then came the interminable waiting until the ballot was counted. When the announcement was made, the long tension at last was broken. Men with gaping faces gradually managed to get them closed. Strong men did not weep, but they shouted. Mr. St. Laurent's speech of acceptance was in fine vein. It was easily the best utterance of the convention—simple, direct, strong no pretence, from the heart. It improved with each sentence, and its French half was better than its English. It was a dedication and a very sincere dedication. Canada can feel fortunate in this man.

Then the P.M. came forward: even he was now relaxed: he was another and very likeable Mr. King, the man who wins people to him. Hands all round!

Does one dare to say **"Le roi est mort, vive le roi"?**

How Maturity Won Battles In the Liberal Convention

OTTAWA (Staff) — Youth and old-age met and battled here last week as the Liberal Party of Canada held its first national convention in 29 years.

Maturity won most of the battles.

It won the leadership battle, hands down.

The one "young" man who might have contended, Paul Martin, withdrew regretfully when he found his chances of success were negligible.

The other young men were never really in the battle. They bowed out, from a long way back, in deference to the acknowledged qualifications for office of the Rt. Hon. Louis St. Laurent.

Paul Martin has aspired to the Liberal leadership almost all his life. But, unlike his running mates, Douglas Abbott and Brooke Claxton, this may be his last chance. It is doubtful if Liberals would stand for a French Canadian twice in a row. Mr. Martin didn't get the breaks.

St. Laurent's Victory

The most satisfactory single fact about this convention was the huge majority for Mr. St. Laurent which piled up on the first ballot.

On the performance of the day, the new leader deserved the acclaim. As well, everyone knew he was completely sincere when he expressed the hope that "no one got the impression that this was going to be an oratorical contest to win votes nor an occasion for the candidates to put forward any personal program. —the manner in which each person votes is his or her responsibility, not the responsibility of Mr. Power, of Mr. Gardiner, or of me. That is a responsibility to our fellow members of the Liberal party, the responsibility of putting forth our best judgment as to what is most apt to keep the Liberal party united and strong."

This might not have been so.

Mr. St. Laurent was not expected to make a good platform showing. He might have been coolly received by English-speaking delegates because of his race and creed. He might have expected some coolness from Quebec delegates because of the recent Duplessis landslide.

But the cheers that welcomed the St. Laurent nomination made it clear that his victory was certain.

Everything went his way from the moment he stood up. No one needed to be a ballot counter to know what was going to happen. And in the end he received almost 70% of the entire ballot (848 out of 1227) on the first round. Convincing evidence that Liberals from every part of Canada look on him as a great Canadian, even though they are conscious that he lacks political "oomph."

Gardiner's Speech

"Jimmie" Gardiner with his "sparkplug" speech looked little better than that. He asked for the chance to "sparkplug" the party. And on his performance on Saturday he hadn't much more than a sparkplug to offer.

Everyone had expected that "Jimmie" would make the best nomination speech of the day. It was the poorest. It wasn't even worthy of a rural hustings—let alone a great national convention. Twice he had to be tapped on the shoulder by Chairman Fogo and told about the 20-minute limit. The first time was when he seemingly wasn't more than half through his remarks.

On Mr. Gardiner's performance of last week one can completely discount rumors that have been circulating here that Mr. Gardiner (on the basis of a strong showing as runner-up to Mr. St. Laurent) would make a bid for something he has long coveted—the post of Minister of Finance.

Incidentally, one surprise of the convention was the exceptionally warm reception given Douglas Abbott when he withdrew his name from the leadership nomination. There is, in this, confirming evidence that Abbott hasn't lost as much ground over the government's tax and fiscal policy as had been generally supposed. What's more, apart from a violent initial attack on fiscal policy in the Quebec provincial caucus, Abbott made surprisingly good headway with his own resolutions covering sound fiscal policy and support for the government's 1945-46 Dominion-provincial relations program.

As for the third contender in the leadership contest, the old guard of free-thinking Liberals got spiritual satisfaction from hearing "Chubby" Power lash out at "a whitewash of the past and a blank cheque for the future." Many delegates who said "amen" to these bold sentiments would like to have followed with their support had they had more confidence in the "follow through" ability of this rough-cast, lovable, but unpredictable ex-minister.

When Will Mr. King Resign?

The convention was the healthiest thing that has happened to the party in a decade.

There was, of course, much too much deference and lipservice to the glories of the past.

The names of Laurier and Lapointe, and the 30-year leadership span of W. L. M. King, kept oozing out of the loud speakers at least every five minutes. The pay-off was the amazing "happenchance" whereby Mr. St. Laurent's nomination as leader was not confirmed until Mr. King had squeezed in one full hour of his thirtieth year as Liberal leader. This was announced at precisely 5.45 p.m. (Mr. King had been named leader at 5.00 p.m. August 7, 1919).

At 6.00 it was officially announced that Mr. St. Laurent had won on the first ballot.

In retrospect, this foible of Mr. King for paying such meticulous attention to anniversaries and his numerous "firsts" is nothing for anyone to get very annoyed about. After thirty years of service which have added up so largely on the plus side, Mr. King is surely entitled to his idiosyncrasy.

The latest rumor around Ottawa is that a new such "date" now looms ahead and that Mr. King will hand over the Prime Ministership on Dec. 29—just 27 years to the day since he first became Prime Minister of Canada. (He was sworn in as Prime Minister, President of the Privy Council and Secretary of State for External Affairs on Dec. 29, 1921).

But there was plenty of youthful vigor and vitality.

Much of this owes its genesis to Hon. Brooke Claxton, whose youthful McGill University protégés kept the meetings and the committee sessions on their toes repeatedly. At one stage, Mr. Claxton had to quell an incipient "riot" of his brash young hopefuls, singlehanded. Even without this, there were plenty of fireworks—right from the opening day when rebellion forced the party bosses to permit leadership speeches and open discussions and amendment of resolutions from the floor.

Although individually the young Liberals were lively and effective, their collective efforts were not. The six-page platform of the National Executive of the Young Liberal Federation of Canada showed alarming verbosity and a great deal of im-

(Continued on page 5)

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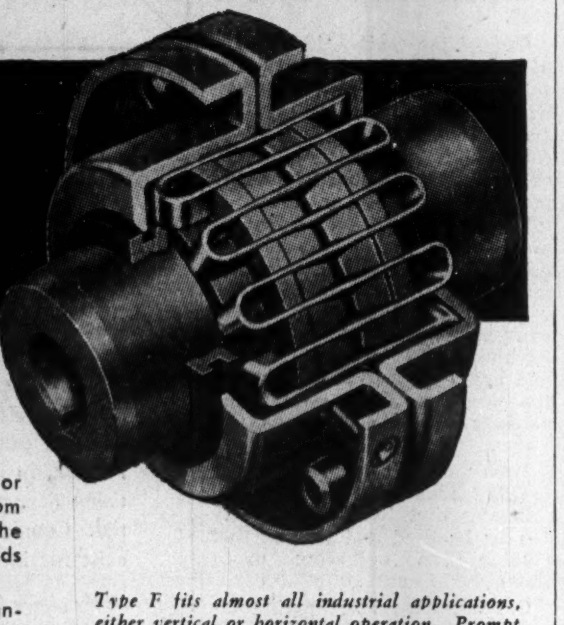

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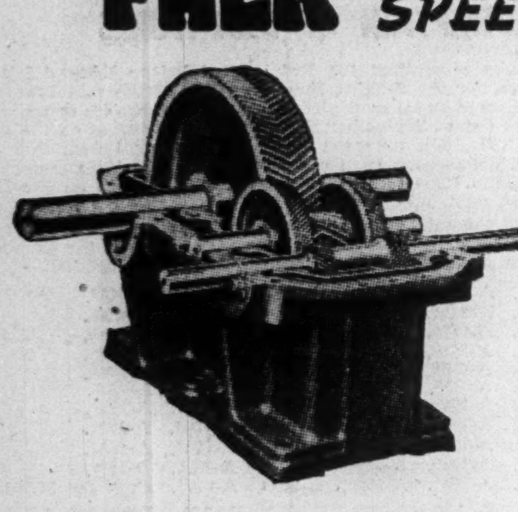

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INVESTMENTS THIS WEEK

Dominion Bonds' Prices Seen Easier, Market Quiet

BY JAMES H. JOYCE

The U.S. Government's move this week to raise the interest rate on short-term government bonds "as a further anti-inflationary measure" has had practically no reaction in Canada on the bond market, according to Canadian investment dealers.

Short-term Dominion bonds are down about 5c a $100 this mid-week. Quotations on middle and long-term Dominion bonds did not indicate much change for these issues but the tone of the market seemed to have eased a shade from its firmness of two weeks ago. This is particularly noticeable in the middle term issues where, although the quotes are not much changed due to the low level of activity, there is a feeling that if a block of bonds came into the market to be sold, the price might move an eighth lower.

There has been no change in the yield rate on Dominion Treasury bills. The last 91-day issue was sold on August 5 to yield 0.411%—the same price as for the previous issue, dated July 23.

In the United States, Secretary of the Treasury, John W. Snyder announced that Treasury certificates which have carried 1⅛% will be posted in the next offering on Oct. 1 at 1¼%. Other securities rates will rise accordingly. Even before then the higher interest policy will take effect. Some $3.7 billions notes maturing Sept. 15 will be replaced with 18-month notes bearing 1⅜% interest, which represents a substantial increase in rate because of the shorter period involved.

Secretary Snyder emphasized that no change would be made in the government's policy of holding down the interest rate on its long-term bonds. Dealers have been watching the long-term market carefully in recent weeks as the Federal Reserve System has been active on the buying side in order to maintain the 2½% rate.

In the week ending August 4, the Federal Reserve System bought $402 millions of U.S. government bonds following the purchase of some $538 millions the previous week. Prices of the longer-term 20-25-year 2½% taxable issues have been quoted around their support levels. For example the Treasury 2½%'s due June and December, 1967/72 are bid $100¼.

In Canada quotations on the longer-term Victory Loan 3% bonds are about the same as at the first of the month. Ninth Victory Loan 3% bonds due 1966 are quoted $100.50 bid to $100.875 asked to yield 2.92% to the 1961 call date. At this level they are about a half a point better than their level of last month following the second withdrawal of support by the Bank of Canada. Dominion 3% perpetual bonds are quoted $99.25 bid to $99.625 asked to yield 3.01%.

There is a feeling, however, that trading on all the longer-term issues is more apt to take place near the middle of the quoted prices rather than near the asked price, which was the case two weeks ago.

In the United Kingdom gilt-edge stocks have held fairly steadily around a 3% basis. British 3% savings bonds due 1965/75 are currently quoted at about £ 100.18 flat which indicates little change.

Analysts will be watching closely for further moves affecting interest rates in the United States as there is a definite feeling that if the long-term rate drops in the United States, some similar action may be expected in the Canadian rate, although there may be a time lag.

• • •

Annual Reports

Dominion-Scottish Investments Ltd. has improved its annual report for the year ending March 31, 1948, by including comparative figures for the previous fiscal year for the balance sheet and revenue accounts. The report shows investments classified according to type, geographical distribution and nature of undertakings but does not give a list of the individual investments.

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Hudson's Bay Co. recognizes its shareholders as the owners of the business by addressing its report "to the proprietors." This is a fact which all companies might keep in mind when reporting to shareholders each year.

• • •

Talk Debenture Issue For National Breweries

Investment circles are a-buzz with the unconfirmed report that National Breweries is about to enter the money market with a bond or debenture offering. It is said amount of the proposed issue has not yet been decided. It will be used for plant rehabilitation, it is believed. Greenshields & Co. are said to be underwriters for the issue.

At Dec. 31, 1947, National Breweries showed a cash position of $1.2 millions and investments and marketable securities with a market value at that time of $4.2 millions. Working capital with investments at book value was $8.4 millions approximately.

In addition to plant rehabilitation, the company may also be faced with sizeable cash expenditures for beer cans in which part of its output is now being sold.

The company has also planned a new bottling building at Dow Brewery and a new brewhouse at Dawes Black Horse Brewery. An extension to the storage building at Boswell Brewery is also being completed. Last year $500,000 was appropriated out of surplus for the increased cost of replacement of certain fixed assets.

• • •

Feel the de Mares Question Not Settled Definitely Yet

Although a recent report from Columbia indicates that the de Mares concession of the Tropical Oil Co., a subsidiary of International Petroleum Co., will be definitely taken over by the government on the expiration of the concession on Aug. 25, 1951, informed circles feel that the situation is not nearly as definite as the statement indicated.

Alonso Aragon, the Minister of Mining & Petroleum for Colombia, is reported as stating that the government would take over the properties of the Tropical Oil Co. upon expiration of the company's concession in 1951 and that any thought of extending the concession had been abandoned. Since this statement was made, one informant states it is believed that the minister has resigned.

It would appear more likely that nothing very definite will be decided by the Colombian Government regarding these properties until after it receives the report of its three U. S. experts being taken to Colombia to advise it on future petroleum policy. One of these experts is said to be an authority on refineries, another on production and another on geology.

Further, elections will be held in Colombia in 1950 and it would seem likely that whatever administration obtains power at that time will make the final decision in the matter.

Apparently there are several schools of thought as to whether the government should enter into the petroleum industry directly or not. It is also possible that with production of crude petroleum declining in the de Mares concession the company might not want to continue with the concession. It is currently conducting exploratory work on other fields in Colombia.

• •

Atlas Steels Welcomes Shareholders' Questions

Atlas Steels Ltd. sets a good example in a letter to all shareholders which welcomes new shareholders who have recently acquired common stock. After giving certain information regarding the company, President R. H. Davis states:

"We want you to know your company. Please do not hesitate to write us for any information you may desire. I will consider it a personal pleasure and privilege to be as helpful as possible."

Intelligent investment means much more than merely putting some money into shares of a company. For a full partnership of capital and managment, investors should know a great deal about the company in which they invest their money. The willingness of management to treat them as full partners should create a greater sense of confidence.

• • •

Net Income of 525 U.S. Firms 28% Higher For First Half

The combined net income after taxes of 525 U. S. firms was approximately $2,288 millions for the first half of 1948 as compared with $1,781 millions in the first half of 1947 and $1,931 millions in the second half, according to a tabulation made by the National City Bank and appearing in its August letter. The increase over the first half-year was 28% and over the second half 18%.

Despite these increases in the totals, about two out of five reporting companies had decreases compared with 1947, the National City Bank reports.

Upon the net worth, made up of capital stock and surplus accounts taken at book value and aggregating $24.3 billions at the beginning of 1948, the half-year's earnings were at an annual rate of 18.8% as compared with the 1947 net worth of $21.8 billions and a return of 16.3% on the first half-year and 17.7% in the second, the study shows.

Most of the industrial groups showed increases in net income over 1947, particularly over the first half-year. The largest increase was in the petroleum refining group.

Saguenay Elec. Bond Issue Sold

MONTREAL (Staff)—An issue of $2.4 millions of Saguenay Electric Co. 3¾% first mortgage bonds has been sold privately, the underwriters, McLeod, Young, Weir & Co., announce. Price for $500,000 series A 10-year serials was 103.19 and accrued interest for equal amounts each year. Price of the $1.9 millions of series B sinking fund bonds due June 1, 1968, was put at 102.13.

Proceeds of the issue will be used to redeem the 4½% first mortgage bonds to repay advances made by Saguenay Power Co., for capital expenditures and general corporate purposes, it is stated.

Atlas Steels Sales Up 37% Profit Higher

Sales of Atlas Steels Ltd., Welland, Ont., for the first six months of 1948 were about 37% higher than in the same 1947 period, President Roy H. Davis tells The Financial Post.

Reflecting the higher level of operations, earnings for the first six months of 1948 will be substantially higher than for the same 1947 period, Mr. Davis states. Earnings for the first four months were $445,527 after provision for depreciation and income taxes, or 22.9% higher than for the comparable 1947 period, a recent prospectus covering an offering of common shares showed.

The demand for steel continues strong all over the world and consequently ensures a high level of operations. Export sales of Atlas Steels currently are running heavier than the usual ratio of one-third export to two-thirds domestic business. Mr. Davis states.

The major problem facing the company at present is the "tight" steel scrap situation. The company's ability to continue the results shown for the first half of this year will depend on its supply of steel scrap, Mr. Davis stresses. Production this year of some grades of steel has been curtailed due to the lack of scrap. Adding to the problem is the poor quality of the scrap being received and the fact that last June restrictions were effected against the importation of steel scrap from the United States.

Atlas Steels is employing nearly 2,200 workers now as against about 2,000 last fall and 450 in 1939.

Coca Cola Building Quebec City Plant

At Quebec City, Coca Cola of Canada is starting construction of a new $500,000 bottling plant on First Ave. near CNR tunnel; architects Mathers & Haldenby, Toronto; contractor Anglin-Norcross, Quebec. Contract was let last week. Coca Cola also is building at Kitchener, Ont. (foundation in for new plant) and is understood to have plans for a further substantial building and improvement program.

June Earnings Drop Off 2.1% For Brazilian

For the first time this year, the monthly earnings of Brazilian Traction, Light & Power Co. have shown a drop from the corresponding month of 1947.

Estimated net earnings for June of $2,186,124 is down 2.11% from June of last year ($2,233,245). Although gross earnings continued its upward trend—being 6.9% higher than the gross for June, 1947—operating expenses for the third successive month jumped at a faster rate being up 11.70% in June.

Net earnings for the six months ended June 30 amount to $12,862,338—up $648,189 or 5.13% from the corresponding period last year ($12,214,149). The increase is equivalent to about nine cents an outstanding common share. The company earned $3.69 a common share in the whole year 1947.

Figures for June and for the six months are as follows:

June:	1948 $	1947 $	Incr. %
Gross earn. ..	8,470,455	7,859,165	7.78
Oper. exp. ...	6,284,331	5,625,920	11.70
Net earn.	2,186,124	2,233,245	‡2.11
Six Months to June 30:			
Gross earn. ..	48,461,954	45,064,993	7.54
Oper. exp. ...	35,599,616	32,850,844	8.37
Net earn.	12,862,338	12,214,149	5.31

‡Decrease.

MSE Reports Fewer Shorts

MONTREAL (Staff) — The semi-monthly summary of short positions of the Montreal Stock Exchange shows total short positions at July 31 on the books of member firms at 6,440 shares, involving 36 issues; a reduction of 8,662 shares from the July 15 position and one less issue involved. Biggest changes shown are:

Stock:	Shares	Stock:	Shares
Algoma	+200	Int. Pete.	—8,118
Ham. Bridge	+100	M'sey-Harris	—100
Int. Paper	—230		

Following are the short positions as at July 31:

Stock:	Shares	Stock:	Shares
Abitibi com.	500	Ham. Bridge	100
Do. 1½% pf.	200	Walker G & W	25
Algoma	740	Hudson Bay	100
Aluminium	100	Int. Nickel	275
Asbestos	125	Int. Paper	720
B. A. Oil	100	Int. Pete.	100
B. C. Pwr. B	100	M'sey-Harris	25
Bruck Mills	25	McColl-Front.	825
Can. Cement	375	Mtl. Trams.	5
Bldg. Prod.	25	Nat. Steel Car	50
Candn. Car	225	Page--Hersey	25
C. Ind. Alc. B	25	Power Corp.	25
CPR	525	Price Bros.	100
Cons. Smelt.	55	St. Law. Corp.	100
Dist. Seagrams	25	Sher.-Wms.	25
Dom. Coal B	50	Steel of Can.	50
Dom. Tar	50	Winnipeg El.	515
Dryden	80		
Fraser Cos.	50		6,440

On the Montreal Curb Market, short positions totaled 69,148 shares, involving 31 issues; 43,157 fewer than at July 15. Major changes were:

Stock:	Shares	Stock:	Shares
Bobs Lake	—27,000	Louvicourt	—1,500
Brown Co.	—1,662	Macdonald	+1,900
Com. Alco.	+1,675	Milton Brick	+300
Donnacona	+300	Que. Mang.	+5,000
E. Sullivan	—300	Rand	+275
Eldona	—10,900	Sherritt G.	+700
Gaspe Oil	—200		

Following are Curb Market positions at July 31:

Stock:	Shares	Stock:	Shares
Bobs Lake	5,500	Gaspe Oil	1,700
Brown Corp.	1,784	Louvicourt	2,500
Buffadison	5,000	Lowney's	625
C. & D. Sugar	25	Macdonald	10,100
Can. Vickers	305	MacLaren	175
Do. pfd.	25	McIntyre	25
Com. Alco.	1,825	Milton Brick	300
C. C. Cadillac	7,500	Minn. & Ont.	89
Cons. Paper	880	O'Brien	300
Cons. Textile	100	Que. Labrador	500
Donnacona	300	Que. Mang.	1[illegible]500
E. Sullivan	1,700	Rand	1,1[illegible]
Elder	1,000	Sherritt Gor.	1,000
Eldona	9,200	Steep Rock	100
Fairchild	200	Turbois	4,500
Fraser	290		69,148

Oakville to Show What It Can Make In 35 Factories

Lipstick cases and shower-curtains, smoked turkeys and plastics, fluorescent lamps and porcelain enamel. These and many another new product rolling out of Toronto's neighbor growth "city" of Oakville in ever increasing quantity will be shown an expected 20,000 visitors a month hence.

Thirty-five Oakville businesses on Friday and Saturday Sept. 16 and 17 will jam their 16,000 sq. ft. Victoria arena with about 600 ft. of product display, and that's at least 25% more exhibitors than in the first Oakville industry show two years ago (The Financial Post, Oct. 12, 1946).

Sponsor of the exhibition, Oakville's Chamber of Commerce looks for businessmen visitors in substantial number from Toronto, Hamilton, Niagara, Guelph and Grand Valley districts and, according to D. F. McRae, chairman of the committee organizing the affair, some may get a profitable surprise in the volume and variety of the town's new products. Famed for residential estates and picturesque countryside, Oakville and district with about 8,000 people only recently has sprung into prominence as a magnet for Canadian workers and industry.

Stock Offered Of Humar Corp For Expansion

The entry of another Ontario industry into the U. S. market is seen in the announcement by Humar Corp. of its initial sales expansion south of the border. Distribution facilities and outlets have been established in the Detroit area and plans call for a progressive enlargement of this field, President Dennison Denny states.

To enlarge the scope of its operations, the company is offering 300,000 of its no par value common shares. The price is 40c per share for the first 100,000 shares and 50c per share for the next 200,000 shares.

Humar Corp. was incorporated on Feb. 21, 1947, and has acquired all the assets, undertakings and goodwill of Millgrove Humus Products Ltd. as well as the assets (subject to liabilities approximating $4,000), undertakings and goodwill of Beverly Holdings Corp.

(Millgrove Humus Products Ltd. is a wholly-owned subsidiary of Norgold Mines, Ltd. Norgold had acquired leasehold rights on certain properties from Beverly Holdings in October, 1940, and after certain preliminary work, commenced operations on or about March 1, 1942, and operated the business until Oct. 31, 1946. At that time the undertaking was sold to its wholly-owned subsidiary who operated it until the sale to the present company.)

The company is engaged in the business of producing and marketing "Hu-Mar." "Hu-Mar" is not a peat moss but a sedge peat which is used as a soil conditioner, the company explains.

The main asset of the company is the large and unusual deposit it owns. It is a bog consisting of well-humidified sedge peat upon a bed of calcareous shells and alkaline earths, under which conditions the varying reactions between these two strata over a great number of years have combined to produce a soil conditioning substance of outstanding merit, Mr. Denny states in the prospectus. Located in the township of Beverly, Wentworth County, Ontario, the deposit, according to testing by government officials, shows the presence of over 1 million tons of marketable material, while approximately another half million tons are indicated in partially tested areas, the prospectus states.

"Hu-Mar" was first introduced to the growing public prior to 1940. Only very limited production took place until 1942 when a broad program of marketing was initiated. Following the war sales increased materially and the greatest volume of business was experienced in 1946, it is stated.

The auditor's report shows net losses after taking depreciation at 50% of normal rates, for the period from March 1, 1942, to Dec. 31, 1947. For the nine months to Dec. 31, 1947, the net loss was $14,129 and $8,549 for the preceding five months to March 31, 1947.

One of the main achievements of the company has been the consolidation of earlier interests whereby the burden of royalties and interest charges has been substantially reduced or eliminated, Mr. Denny states. The losses incurred to date are considered inherent to the development of marketing of a new product representing expenditures necessary in the sales promotion and advertising of Hu-Mar. The company is now in a position to take advantage of the considerable effort and expense on the part of the predecessors in establishing markets for its products, he states.

With moderate additions to the existing plant, the management estimates that 10,000 tons yearly can be handled and that at that volume the operating profit should be in excess of $75,000.

Capitalization after giving effect to the proposed financing will consist of 1,125,000 authorized, 850,005 issued no par value common shares. Of the 550,005 shares issued prior to this issue, 315,000 shares are held in escrow subject to release as follows: 138,743 shares to Beverly Holding Corp. not earlier than Nov. 20, 1948, and upon consent of the Ontario Securities Commission; 176,257 shares pro rata to all persons entitled thereto at the rate of one escrowed share for each treasury share sold upon the consent of the Ontario Securities Commission and the directors of the company. The remaining 200,000 shares were issued to Millgrove Humus Products for discharge of its mortgage of $26,000 on the lands of the company and for the release of the royalty payable to it for a period of nine years and three months from Jan. 1, 1948, of 50c a ton on all fertilizer material shipped from the lands owned by the company. The only shares sold for cash were five common shares at $1 each. Mattie Holding Securities Ltd. is shown as the owner of 211,257 shares.

Directors are Dennison Denny, president; Henry Jasper Martin, vice-president; Margaret Burton Smith, secretary; John Duke Hague, treasurer; and Sydney Bernard Saunders, all of Toronto.

PEN-REY GOLD MINES has received payment for July 25 installment of 100,000 shares at 10 cents a share. Issued capital is 4,040,005 shares.

Power for Canada's Pacific Coast

British Columbia Electric Company Limited and its subsidiaries provide the most extensive system of public utility services in Western Canada.

The Company's Bridge River project, designed to add 186,000 horsepower to its hydro electric capacity is considerably ahead of schedule and the first of three units of this project are expected to come into operation in October this year.

The Series "C" Bonds, which we offer as principals, were issued in March, 1948 to provide part of the funds required for the Company's expansion and betterment programme of which this project forms a section.

British Columbia Electric Company Limited

3¾% First Mortgage Bonds Series "C"

Due April 1st, 1968

Denominations: $100, $500 and $1,000

Price: 99 and interest, to yield 3.82%

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Apply giving full details of past experience, education and starting salary expected, to

BOX 80, THE FINANCIAL POST, TORONTO.

PROVINCE OF PRINCE EDWARD ISLAND

REDEMPTION OF DEBENTURES

Notice is hereby given that the Province of Prince Edward Island intends to redeem, for the Sinking Fund purposes of the said Province only, a portion selected by lot by the Treasury Board of the 4% debentures issued on the 15th day of September, A.D. 1941, and maturing on the 15th day of March, A.D. 1954, pursuant to the option for redemption set forth in the said debentures, such redemption to be at 101 per cent of the principal amount. The said redemption will take place on the 15th day of September, next, A.D. 1948.

The portion of the said debenture issue to be redeemed on the said date has been selected by lot by the Treasury Board and the numbers of the said debentures so selected for redemption are as follows:—

Numbers A-0059, A-0089, A-0133, A-0138, A-0139, A-0160,
A-0177, A-0180, A-0225, A-0266, A-0283, A-0288,
A-0303, A-0309, A-0322, A-0329, A-0339, A-0341,
A-0372, A-0420, A-0438, A-0447, A-0499, A-0551,
A-0574, A-0580, A-0673, A-0681, A-0765, A-0780,
A-0880, A,0896, A-0915, A-0934, A-0946, A-1008,
A-1058, A-1088, A-1119, A-1128, A-1137, A-1227,
A-1230, A-1310, A-1386, A-1455, A-1574, A-1622,
A-1632, A-1640, A-1666, A-1703, A-1745, A-1864,
A-1872, A-1880, A-1891, A-1950, A-1970, A-1987
A-1991, A-2001, A-2002, A-2039, A-2071, Each For $1,000.00.

Numbers B- 081, B- 104, B- 124 B- 197, B- 219, Each For $ 500.00.

Holders of the debentures above enumerated are hereby required to present their debenture certificates for redemption on the said 15th day of September, A.D. 1948, at the principal office of the Bank of Montreal in Charlottetown, Prince Edward Island; or Montreal, Quebec; or Toronto, Ontario, Canada.

Debentures numbered as hereunder, drawn for redemption in the years 1944 and 1947, have not, as yet, been presented for payment:

Number A-1842	$1,000.00	Drawn 1944
Number A-1159	1,000.00	Drawn 1947
Number A-1521	1,000.00	Drawn 1947

DATED at Charlottetown this 26th day of July, A.D. 1948.

J. WALTER JONES,
Provincial Treasurer.

SALES EXECUTIVE AVAILABLE SOON

Man in early forties with 20 years experience in sales, sales promotion and advertising will be available soon because of Government austerity restrictions.

Thoroughly familiar with national sales operations, Branch office direction, market analysis, distribution, etc. Toronto headquarters desired.

Phone Toronto, HY. 4345 or Write

BOX 82, THE FINANCIAL POST, TORONTO

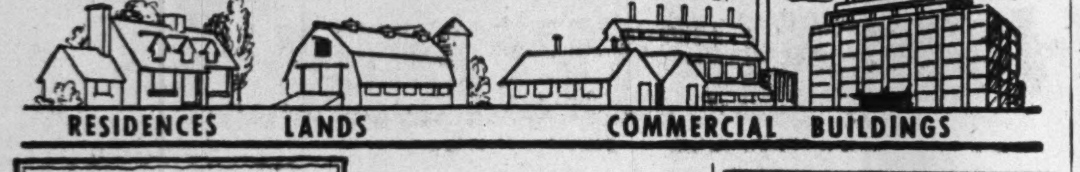
OFFICE MANAGER

FOR HEALTH & ACCIDENT INSURANCE COMPANY

Our Sudbury Branch Office has a vacancy for a man with the following qualifications. If you have a sound training in insurance accounting, and are conscientious, aggressive, in your early thirties and able to write letters with pep and pull; this is your job. If you have a knowledge of personnel management, like to meet the public, are interested in living and working in Sudbury; you are our man. You would undergo a short period of training in our Toronto Office before taking on your new duties.

Write full details of experience, giving age, marital status, education, salary, etc. to

BOX 78, THE FINANCIAL POST, TORONTO



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$32,000.00 or best offer.

Box 81, THE FINANCIAL POST, TORONTO

DEPARTMENT STORE FOR SALE

Established 40 years, two modern brick buildings, 86 feet frontage, over 16,000 square feet of floor space, men's and ladies' clothing, furniture and electrical appliances, situated in New Glasgow, a prosperous industrial area in Nova Scotia. The men's and ladies' clothing business may be purchased separately from the furniture and electrical appliances business. Owner retiring owing to ill health (coronary thrombosis). M. Spiro Department Store, New Glasgow, N.S.

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What's Job Fair or Exhibition Does For Advertising and Sales Managers?

By WALLACE GILLESPIE

All geared for these annual phenomena?

For fairs and exhibitions are just that — phenomena. Where else in today's business climate can you find a promotion medium which:

a. Doesn't employ a sales force of its own, yet sells acres of display space at rates ranging from small change to $1.50 per square foot.

b. Is rarely called upon to supply factual data (average cost of getting a prospect, cost per 1,000 admissions at gate, etc.) . . . yet has hundreds of would-be exhibitors clamoring for the right to buy.

The exhibition dollar goes a relatively uncharted course, whereas the dollar spent in other forms of promotion such as magazine, newspaper, or radio advertising is aimed with increasing precision. But the apparent change in the manufacturer's attitude when he "goes to the fair" doesn't indicate the relative effectiveness of exhibitions as merchandizing tools. Instead, it shows that, when a firm mans a display booth, it is putting emphasis on an altered set of objectives.

One nationally known firm told The Financial Post that if it acted solely on a comparison of the cost of getting a prospect via exhibitions with the cost of getting one via most other forms of promotion it would never enter another exhibition. But it does enter exhibitions and it will continue to do so. It thinks they have a definite place in the company's selling program, and that money so spent is wisely spent. Why? Because exhibitions can do certain jobs for the sales manager.

What Does It Bring?

What are these jobs? Here are the main ones cited during conversations with a dozen leading manufacturers:

1. Contacts with the ultimate consumer, particularly in the case of major durable goods manufacturers whose normal retail outlets are via dealer organizations. Such firms take definite action to see that information gained in these direct contacts is poured into tangible molds. When the casual comments of exhibition-goers form a pattern, reports are prepared which get close scrutiny in the design and engineering departments.

2. Better factory-dealer relations. The dealers feel the manufacturer is "backing up" their selling efforts. In smaller centres, the dealer himself often participates in the community fair; he looks to the company to handle the bigger job at "Class A" exhibitions such as the CNE. Though the major firms don't do any direct selling over exhibition booths they compile "prospect lists" which are furnished to the dealers. Often the dealers are called upon to help out in staffing the booth.

3. The exhibition is often the only place where the company places its full line of products before the public at one time and place. Comparisons result in greater consumer satisfaction. The resultant decisions may not be reflected in the sales picture until some months later.

4. An exhibition is frequently a good stage for the introduction of a new model or a new product, since it provides the manufacturer an opportunity to judge reaction first hand. Prewar, it was customary to schedule the announcement of new models of many household appliances, such as radios, to coincide with the dates of major exhibitions.

5. Institutional factors, such as name registration. Many big companies know it takes persistent activity along many avenues to accomplish this, and are content not to try to track down their "exhibition dollar" any further. Sometimes there are public relations reasons why a particular firm can't stay out of a particular exhibition.

More Seeking Space

That such things have real value is evidenced by the fact that, not only are manufacturers coming back for more, but also they're coming back on a bigger scale.

For example, Canadian National Exhibition at Toronto reports that 95% of the manufacturers who booked indoor space in 1947 are back again this year. Though the "Ex" doesn't prepare any special sales literature, it believes this must be a reflection of the attendance figures it piles up in a two-week interval, compared with space-rental costs. The result: 250 applicants won't be able to get indoor space this year; 500 won't be able to get outdoor space.

And the manufacturers are spending more money on their displays than ever before. Wage rates for carpenters and electricians have mounted and material costs are up, but even more, the exhibitors are doing bigger things. There was a natural tendency to do something big following the wartime absence of exhibitions — and the trend towards more elaborate display is continuing, perhaps growing, this year.

Because installation costs are a relatively inflexible factor, most manufacturers believe that the cost per 1,000 visitors goes down as the size of the fair or exhibition increases. (The exhibitions being compared are not to be confused with "trade shows" attended by people in one particular occupational classification. With "trade shows," the cost per visitor may run much higher than a general exhibition, but the participant is rewarded by being able to pin-point his presentation.)

The technique of exhibition display has been much refined during the past decade, a survey by The Financial Post reveals. Here are the major trends:

1. Construction of permanent "backgrounds." Manufacturers secure leases to occupy the same position for several years, and erect structures which can be easily altered in appearance by a new paint job or some other superficial change. The greater cost is normally amortized over three to five years.

2. Portable exhibits. Often the dealer or other "on the spot" man has only to notify head office of the number of square feet involved and he will be sent an exhibit, complete with photographs showing arrangement. Numbered crates permit one-day preparation.

3. "Live" displays. Washing machines no longer stand still; they have clothes churning in them. Rotating units are used on everything from cars to typewriters. Lights and waterfalls are popular.

4. Audience participation. Today's technique is not so much to have the salesman demonstrate, as to have the prospect come in and try out product for himself.

5. "Walk in" booths. Bigger attendance causes aisle congestion. Where feasible, manufacturers now like to get the prospect away from the bustle so that product's application can be properly discussed.

6. Specialized display organizations. Years ago the carpenter went to work; today, the artists' sketches and blueprints come first. Before, a couple of salesmen were on hand to answer questions; today young ladies are sent to beauty parlor for grooming before going on duty.

7. Exhibitors are less "wordy." They're paying more attention to color and lighting, than to sign work. Photographs and movies are employed, tying in with "live" attractions. Calibre of display work seen at major Canadian exhibitions is said to compare well with any on North American continent.

8. Simulation of home surroundings is a trend among home appliance people. One of Canada's largest firms in this field will have three fully-equipped kitchens at the CNE this year.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PACIFIC MILLS, LTD., Vancouver and Ocean Falls, B.C., sales dollar volume increased 8% in the fiscal year ended April 30, 1948, as compared with the previous year, but this was more than offset by increases in costs and expenses. Profit, before income taxes, was down 16.8%. As a result of lower taxes, net profit was off only 3.3%.

Demand for pulp and paper products during the year continued to exceed manufacturing capacity, but water power conditions at Ocean Falls were inadequate to maintain capacity operations and so production was curtailed from late February to mid-May. Despite this curtailment, total tonnage produced of 140,541 tons was approximately equal to that of last year (144,235 tons), a result of new installations and improvements during the year.

Total expenditures during the year on capital assets aggregated $2,711,000 and included the following:

1. Completion of Martin Inn, $826,000.

2. Other townsite buildings, $100,000.

3. New HP boiler and turbine, $408,000.

4. Paper machine improvements, $212,000.

5. Kraft mill improvements, $109,000.

6. Logging equipment, including roads, $617,000.

The new high-pressure steam generator and 5,000 kw turbine after many delays are now at Ocean Falls and it is expected will be in operation by September, 1948. Total cost of these units is now estimated at $890,000.

Improvements effected at the Kraft mill are expected to increase its capacity by 30%:

Effective May 1, 1948, the company's labor agreements with the International Brotherhood of Pulp, Sulphite & Paper Mill Workers and the International Brotherhood of Paper Makers were renewed for a period of one year. These negotiations covered wages and working conditions at Ocean Falls and resulted in a general wage increase to all hourly workers at 12c per hour or 11%, whichever was greater, up to a maximum of 16c per hour. Negotiations for the renewal of labor agreements covering the Vancouver converting plant, Canadian Boxes Ltd. and Northern Pulpwood Ltd. are proceeding.

"There is some indication that prices are leveling off, but the demand for paper products appears to be constantly increasing due to our country's expanding economy," President Paul E. Cooper states. "Your company is in a strong position to maintain its place as an important factor in the industry."

INCOME ACCOUNT

Years Ended Apr. 30:	1948	1947
Sales	$17,306,451	$16,046,249
Net earnings	4,893,694	5,574,930
Less: Depr. & amort.	882,058	823,976
Depletion	97,979	96,570
Invent. res.	......	167,115
Pension fund	62,854	62,842
Income tax	1,466,100	2,293,500
Add: Prof. on assets	99,669	65,102
Net profit	2,484,372	2,196,029
Less: Pref. divds.	119,934	119,934
Com. divds.	900,000	750,000
Surplus for year	1,464,438	1,326,095
Earnings per Share and Dividend Record:		
Preferred	$124.29	♦$128.14
Paid	6.00	6.00
Common†	7.88	♦8.14
Paid (new)	2.50	....
Paid (old)	2.00	10.00

†Based on common stock after 4-for-1 split.

♦Based on 1947 net profit of $2,561,325, as adjusted in 1948.

CONDENSED CONS. BALANCE SHEET

As at Apr. 30:	1948	1947
Cash	$359,029	$688,992
Accts., etc., rec.	1,619,999	2,461,571
Inventories	6,115,093	3,561,139
Total curr. assets	8,094,121	6,711,702
Def. chgs.	441,861	247,848
Misc. assets♦	238,625	463,520
Fixed assets*	16,985,265	15,067,767
Total assets	25,759,872	22,490,835
Accts., etc., pay.	1,819,333	1,240,471
Taxes pay.	361,019	1,215,742
Total curr. liabs.	2,180,352	2,456,213
Capital stock	9,498,900	9,498,900
Earned surplus†	‡14,080,620	10,535,722
♦Inc. ref. EPT	110,350	325,256
*After depr.	18,606,557	17,987,023
†Inc. ref. EPT	149,532	325,256
‡Includes $2,080,460 income tax adjust. for 1940-47.		
Working capital	5,913,769	4,255,489

Maturity Won With Liberals

(Continued from page 3)

maturity. It contained no less than 39 "whereases."

On Friday night, four spokesmen for this youth federation asked permission to speak from the floor for three minutes each. Their purpose was to protest that they were not "fed up" as had been reported from another youth camp — the young University Liberals. At any rate they made a very poor showing and did their group and cause little good.

Perhaps the highlight of the pre-nomination sessions was the excellent impression made by the two guests from Newfoundland—Messrs. Bradley and Smallwood. Both made salty and worth-while speeches—speeches which left an excellent taste in the mouth and raised Newfoundland stock in the minds of all listeners.

In this connection, many people felt it was unfortunate that Mr. King followed so meticulously his long script in giving his valedictory speech. In his anxiety to put the record completely straight for posterity, he seemed to miss the opportunity of a lifetime to give out some of his inherent humanity and charm which might otherwise have "stolen the show."

However, it is the King way to be ponderous in matters of history.

And the 1948 Liberal convention certainly made history.

Duplan Corp. Acquires Balance of Binz Stock

The Duplan Corp. of New York has acquired the balance of the outstanding common stock of the M. E. Binz Co. and Valley Dyeing & Finishing Co. in exchange for Duplan common stock. M. E. Binz, president of M. E. Binz Co. and Valley Dyeing & Finishing, announces.

No change in management of the Canadian companies is contemplated. M. E. Binz who has been elected a vice-president of Duplan, continues as president and managing director of the Canadian operations.

HEMISPHERE MINING CO. is starting a diamond drilling test of the southeast anomaly on its Barrington Lake property in the Lynn Lake area of Manitoba. The anomaly is one of the four outlined in recent magnetometer survey completed by F. L. McDonald under direction of Dr. Arthur A. Brant.

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CLARENCE WALLACE

of Vancouver, president of Burrard Dry Dock Co. and Yarrows Ltd., has been appointed a director of the British American Oil Co.

Famous Players Buys Skyway Theatre Chain

Famous Players Canadian Corp. has purchased control of Skyway Drive-In Theatres Ltd. and now owns approximately 90% of the outstanding common stock, J. J. Fitzgibbons, president of Famous Players Canadian, tells The Financial Post. The price is not disclosed.

Skyway Theatres was formed early in 1946, with H. B. Housser of the Toronto investment firm of H. B. Housser & Co. as president, Jack Kent Cooke, Toronto publisher and radio station owner as vice-president. Also on the board were Roy Thomson, Mr. Cooke's partner in publishing and radio enterprises, T. R. Harrison and Gordon K. Masters of Harrison & Co., R. H. Manley, managing director, of Ohio and H. W. Long of New York City.

Last September The Financial Post reported that Albert E. Silverwood, chairman of the board of Silverwood Dairies Ltd., had acquired control of Skyway Drive-In Theatres. Famous Players has purchased the stock owned by Mr. Silverwood, as well as stock owned by other individuals.

Three open air theatres are operated by the Skyway concern, understood to be the first to develop such enterprises in Canada. The theatres have a 26-week season and enable motorists to see a show while parked in their own cars.

The first Skyway theatre was opened at Stoney Creek near Hamilton in July, 1946, with a capacity of 900 cars charging an admission fee of 50 cents per adult, children free. Two others followed soon after, one at London and the other at Windsor, each with a capacity of 700 cars.

A fourth project was to be developed this year in North Toveloped this year in North York, but has not yet materialized. It will probably be developed next year, Mr. Fitzgibbons states, with other sites to follow.

T. S. E. Short Position Down

The semi-monthly short position report of the Toronto Stock Exchange as of July 30 shows the aggregate short positions, eliminating odd lots, on the books of member firms, at 490,480 shares of 120 issues compared with 529,032 shares of 131 issues on July 15.

Largest changes in individual mining stocks were:

Stock	Shares	Stock	Shares
E. Sullivan	—900	Louvicourt	+1,000
Eldona	—6,200	Normetal	+3,700
Eureka	—300	North Inca	+8,200
Giant Y.K.	—1,340	Rupununi	—2,900
Int. Uran'm	—6,200	Sherritt	—4,400
Lake Wasa	—3,500	Thurbois	—6,100

Only changes of consequence in the industrial stocks were Abitibi down 500; C.P.R. down 560; International Paper up 300 and M & O Paper down 550. The short position shows as follows:

Stock	Shares	Stock	Shares
Abitibi	350	Labrador	4,900
Algoma Steel	100	Laguerre	5,000
Amal. Larder	4,000	Lake Fortune	1,000
Ang. Candn.	500	Lake Wasa	3,500
Anglo Rouyn	500	Lamaque	100
Argus Cohp.	1,175	Laura Secord	275
Armistice	6,000	Lingman L.	1,000
Atlas Steel	200	Loblaw B	50
Base Metals	7,500	Louvicourt	10,000
Bevcourt	3,000	Lunward	1,000
Brazilian	100	Macassa	4,800
B.C. Forest Pr.	700	MacDonald	9,400
B. C. Pulp	10	MacLeod C.	1,900
Bri. Dom. Oil	500	MacMillan B	200
Brown Co.	200	Magnet	500
Buffadison	3,700	Malartic G.	1,300
Buffalo Ank.	500	M'sey-Harris p	130
Cal. & Ed.	5,200	Mid-Continent	500
Callinan	1,000	Mining Corp.	700
Calmout Oil	500	M & O Paper	200
Cdn. Brew.	1,995	Mylamaque	500
Cn. In. Alco A	400	Negus	12,600
CPR	555	New Calumet	100
Cariboo	300	Nicholson	500
Cent. Porc.	500	Normetal	5,900
Chesterville	3,500	North Inca	12,000
Cochenour	1,900	O'Brien	500
Coniaurum	500	Ogama-Rock.	500
Cons. Paper	100	Okalta	3,100
Conwest	2,900	Osisko	7,000
Discovery	500	Osulake	4,000
Diversified	4,000	Pacific Pete	1,700
Dome	100	Pend Oreille	3,000
Dom. Coal Pr.	125	Pen Rey	2,000
D. Stl. & C. B	1,100	Pickle Crow	1,000
Donalda	11,600	Preston E. D.	2,600
Dulama	4,000	Que. Labra.	1,000
E. Malartic	1,400	Queenston	3,000
E. Sullivan	10,500	Quemont	700
Elder	2,000	Roxana	3,900
Eldona	84,700	Rupununi	22,750
Eureka	36,200	San Antonio	700
Fam. Players	100	Sherritt	15,200
Fanny Farmer	270	Silanco	500
Giant Y.K.	15,245	Silver Miller	1,000
Golden Man.	400	Simpsons A	100
Gr. Lakes Pap.	200	Springer St.	1,200
Gulf Lead	7,200	Steep Rock	7,500
Hedley Mascot	500	Surf Inlet	1,500
Hollinger	400	Sylvanite	100
Home Oil	1,500	Thurbois	74,500
Hosco	500	Union Gas	200
Hudson Bay	100	United Fuel B	100
Imp. Oil	100	United Steel	200
Int'l Paper	650	Ventures	300
Int'l Uran'm	11,000	Waite Amulet	900
Joburke	500	Walker G & W	25
Joliet-Que.	3,000	Wiltsey Cogh	2,000
Kerr-Addison	1,100	W'nipeg Elec.	675
Kirk. G. Gate	1,000		
Kirkland Lake	600	Total	490,480

Monarch Knit. Net $157,862 For First Half

A net profit of $157,862 for the six months to June 20, 1948, is shown by Monarch Knitting Co. in a semi-annual report to shareholders. This was after taxes and depreciation and compares with $324,981 for the whole of 1947. The net is equivalent to $32.44 a preferred share and to $1.44 a common share.

The operating profit, before depreciation and taxes, but after providing for interest of $25,125 on the funded debt, amounted to $441,286 (1947 six months' average was $462,170). Depreciation and write-offs amounted to $148,425 and provision for income taxes to $135,000.

The plant expansion and modernization program has been continued with expenditures made during the six months approximating $138,000, Vice-president and General Manager K. L. Markon states. Additional equipment is on order.

The world inflationary tendencies affected the company's operations, Mr. Markon states. Costs continue to rise whereas the selling price of the company's product did not increase as rapidly. Seasonal ordering by customers is more pronounced than in the immediate prior years but, anticipating a normal fall demand, inventories at June 30, 1948, of $1,762,508 reflect production therefore, he states.

Capital changes consisted of the redemption of 134 shares of preferred stock and the reduction of $60,000 in serial debentures which matured on April 1.

The balance sheet shows current assets at $2,775,658 at June 30 and current liabilities of $1,032,595 which left working capital of $1,743,063. ($1,747,954 at Dec. 31, 1947.)

Since June 30, 1948, the company's tax position in respect of several prior years has been clarified in a manner which directors consider satisfactory, a footnote to the balance sheet states. The resulting adjustments have not been reflected in the half-yearly statements, but the liability for taxes on income shown at $472,174 at June 30, 1948, will be reduced.

Montreal Loco Earnings Seen 36c For Half

MONTREAL (Staff) — A net profit of about $250,000 for the first six months of 1948 was indicated for Montreal Locomotive Works by the half yearly report of the parent American Locomotive Co. This would equal 36 cents a common share.

Dividends paid by Montreal Locomotive to American Locomotive during the six months exceeded American Locomotive equity in the net profit by $18,111.

During the six months, Montreal Locomotive paid dividends totalling 40 cents a share; a total of $280,000 on the 700,000 common shares outstanding. With American Locomotive holding approximately a 57% interest in Montreal Locomotive, it is estimated that dividend payments to American Locomotive for the half year totaled approximately $160,000.

If the $18,000 excess of dividends over American Locomotive share in the net profit is deducted, it would indicate approximately $142,000 as American Locomotive share, or 57% of net profits. On this basis net profit of Montreal Locomotive for the six months would be upwards of $248,000, or roughly 36 cents on a per share basis, it is believed.

At the annual meeting in April, chairman of the board Duncan W. Fraser told shareholders that the production schedule for the last quarter of 1948 calls for a much higher level of output. Since that time it has been announced that Montreal Locomotive has received a new order for 60 steam locomotives for the Indian government. In addition, it has an order on hand for 20 1,000-hp Diesel-electric locomotives from Canadian National Railways.

It is recalled that Mr. Fraser told shareholders that output for the first quarter of 1948 was at a low level due to irregularity of incoming orders. This in a large measure is reflected in the comparatively low net profit showing of the company in the first half of 1948, it is believed.

Atikokan Grows Fast Wants Big Road Link

Canada's youngest local trade body—the newly-formed Chamber of Commerce in Northern Ontario's iron-famous Atikokan, where engineers drained Steep Rock Lake to bare rich ore—already has undertaken a crusade. Atikokan, with a population nearing 1,500, doesn't want its roadbuilding project on the public works depression shelf and the Chamber of Commerce is urging a 1949 start on construction of an 82-mile Atikokan-Shebandowan link as first step toward a Lakehead - to - Fort Frances highway.

C.P.R. Declares Dividend But Says Not R.R. Earnings

Directors of Canadian Pacific Railway Co. have declared a dividend of 2% (50c a share) on the ordinary capital stock in respect of the year 1948 payable October 1, 1948 to shareholders of record Aug. 23, 1948.

In its announcement the company states:

"The directors desire to point out that railway operations for the first half of the current year have contributed nothing to the payment of this interim dividend. Continuing increases in the cost of materials and supplies, and heavy increases in wages (retroactive to March 1) which alone will aggregate annually $27,200,000, or more than the net railway earnings for the previous year, have completely offset the increase in freight rates which became effective on April 8. An application for a further increase in rates became imperative and application has now been made to the Board of Transport Commissioners for a 20% increase including an interim increase of 15% pending final disposition by the Board."

6 Mos. Report For Donnacona

MONTREAL (Staff) — Net profit of Donnacona Paper Co. shows a slight decrease in net profit the first six months of 1948 compared with the same period last year.

President L. W. Michael states the surplus for the first six months of 1947 is shown as $627,598. Year-end adjustments for this period, particularly in respect of pulpwood and taxes, reduced this to $500,086. He added that the surplus shown for the 1948 period was not expected to require adjustment.

Net profit for the six months of 1948 was $665,088 ($683,848) which represented earnings on the common stock of $1.61 ($1.67) after preferred dividends. If the 1947 figure is adjusted as above, the comparable per share earnings would have been $1.33.

GOVERNMENT AND MUNICIPAL BONDS
BELL, GOUINLOCK & CO.
LIMITED
ESTABLISHED 1920
MONTREAL TORONTO WINNIPEG

Strip Mining Plan For Highwood?

MONTREAL (Staff) — Favorable progress is being made in the financing arrangements for the Ford Highwood Collieries Ltd., The Financial Post is informed. Proceeds of the proposed bond issue will be used to build a 50-mile railroad and develop the property 60 miles southwest of Calgary.

Coal from the Ford Highwood property has been under actual test in certain locations in northwest United States, The Post is told. As a result of the favorable reaction, it is stated that there should be no difficulty in finding an outlet for the company's production there.

It is also reported that arrangements are being made to move strip mining equipment to the property. The problem of finding 50 miles of steel rails for the laying of the railroad from the mine west to Okotoks, Alta., to join with the CPR, has been met, The Post is told.

THOMPSON MINES confined operations to survey of claims and establishment of camps in 1947. Current assets were $3,579 and liabilities $333 at Dec. 31.

Nfld. Surplus $1.5 Millions Down in 4 Mos.

A 3.7% drop in net revenue, together with a 6.8% increase in expenditure for the first four months (ended July 31, 1948), of the current fiscal year has cut Newfoundland's surplus 30% from the same period of previous year, to $3,573,108 ($5,107,117). Results show:

	Apr.-July 1947-48 $	Apr.-July 1948-49 $
Revenue (Net) Dollars Only:		
Customs	8,347,157	6,963,024
Posts & Tels.	550,596	555,258
Assessor of Taxes	7,685,423	8,174,733
Natural Resources	190,599	169,909
Other Revenue	1,051,000	1,293,264
Total	17,824,775	17,156,288
Expenditure (net) including sterling:		
General	10,734,808	11,400,317
Int. & Oth. Debt Charges	1,982,850	2,182,864
Total	12,717,658	13,583,181

The figures of interest and debt charges for April-July, 1948-49, are estimated, pending receipt of final accounts for expenditure in sterling.

New Issue
$1,000,000
Canada Electric Company, Limited
4% First Mortgage Sinking Fund Bonds
Series "B", due 1968
To be dated August 1, 1948 To mature August 1, 1968
We offer these bonds as principals subject to prior sale
Price: 100 and accrued interest
A copy of the offering circular will be furnished on request
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Loading MONTREAL and QUEBEC
M.V. "Benny"†, loading Montreal 17/21 August, completing Quebec 22/23 August for La Guaira, Ven.; Curacao, N.W.I.; Maracaibo (Lake Ports), Ven.; Barranquilla, Col.
M.V. "Apollo"†, loading Montreal 19/26 Sept., completing Quebec 27/28 Sept. for La Guaira, Ven.; Curacao, N.W.I.; Maracaibo (Lake Ports), Ven.; Barranquilla, Col.
† Refrigerator space
Loading MONTREAL, QUEBEC and SAINT JOHN, N.B.
S.S. "Shakespeare Park", loading Montreal August 30/Sept. 4, loading Quebec 5/6 Sept., completing Saint John, N.B. 11/12 Sept. for Port au Prince, Haiti; Ciudad Trujillo, D.R.; La Guaira, Ven.; Puerto Cabello, Ven.; Barranquilla, Col.
Loading MONTREAL
S.S. "Sunavis", or substitute, loading Montreal 10/14 Sept. for ** Santiago de Cuba; Belize, Br. Honduras; Puerto Barrios, Guatemala; Cristobal, C.Z.
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Cargo accepted for West Coast of South and Central America on through bills of lading with trans-shipment at Cristobal, C.Z.

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SAGUENAY TERMINALS

Where Do We Stand?

When Defense Secretary Forrestal comes to Ottawa this week from Washington, he will discuss with Defense Minister Claxton, other cabinet ministers and senior officers of the armed forces "matters of mutual interest."

That is, according to the announcement, providing arms for the Western European union, standardization of these arms among the British Commonwealth and the United States, military strategy in Canada's Arctic region, bases in Newfoundland, and so on.

But a question that might well be on the agenda, too, is the matter of recruitment for active and reserve forces in Canada.

Mr. Claxton has just announced that an "all-out" campaign is to be launched next month to strengthen our army, navy and air force. Evidently the drive put on during the past several months has not had much success, despite the almost wheedling newspaper advertisements and radio plugs which went on day after day. These seemed to give the impression that the cushiest job these days was to be in uniform; and the emphasis put on pensions almost made youngsters feel like old soldiers put out to pasture before they got through reading or listening.

The defense minister says that only one man out of five who volunteers is accepted; the others are turned down because they cannot meet the educational and other standards. Does this mean that the standards are too high? Would it not be better to take in some of the lads who meet all but educational requirements and let them finish some of their work in army training schools. Some preliminary steps have been taken in this direction. Junior or senior matriculation may be a handy guide, but is it safe to assume that a youth who couldn't master Latin declensions or chemical formulas won't make a good soldier, sailor or airman?

Both the United States and Britain have definite and clear-cut policies about compulsory service in the armed forces.

We still shy away from mention of compulsory military training in Canada because of possible repercussion from French Canadians. Is this inevitable? Is it not because the situation has been exploited at every opportunity by narrow-minded factional leaders whose sole aim was to gain and keep control over people in their communities?

The choice of Mr. St. Laurent as Liberal leader and Prime Minister raises the hope that his international point of view will have an effect on French Canadian thinking in this direction. Already, as Minister of External Affairs, he has made extremely important contributions in extending Canada's political horizons. His declarations on foreign policy, the most definite ever made, and the work he has done to promote the very co-operation which Mr. Forrestal and Mr. Claxton will proceed with next week, have been accepted proudly by Canadians all across the country. There has been no critical reaction, no isolation talk that we should stay in our own backyard and mind our own business. Indeed, the success of his work has been hailed as much in Quebec as in Washington and London.

How can Canada expect to co-operate in a North Atlantic or Western Europe defense union if we are not willing to have a service policy that will ensure our being able to turn out, when needed, adequate forces of properly trained soldiers, sailors and airmen?

Canadians will want to see their country participate in this union as a major partner, with a major voice in the making and carrying out of plans. The fact that our navy and air force were among the top three in the last war has got us used to regarding our nation as "top drawer" in these affairs.

But if we expect to be accepted on this basis in the North Atlantic bloc we must be prepared to pull our weight with strong, well-equipped forces of men, if it is men we are called on to furnish. It may well be that with our high production potential, the most important job for Canada is supplying arms and equipment rather than troops. Or some specialized type of defence, such as in the Arctic or the North Atlantic.

In any event, the country as a whole should know what the policy line is, what it has been committed to by its leaders. In that way we can all work better together to create a strong peace.

Nothing Left But the Label?

Thirteen years ago this summer the late William Aberhart and his assorted band of followers were stumping Alberta in the interest of some funny policy they called "Social Credit." If elected they promised utopia. All industry, especially the banks and financial institutions were to be taken over, and out of the general credit to be created there were, for a start, to be monthly dividends of $25 for every adult, with fatter and more frequent disbursements hinted for later on.

Of course when he suddenly found himself in power after the August, 1935 election, Mr. Aberhart discovered that the preaching of Social Credit and the implementation of Social Credit were two very, very different things. One difficulty was that nobody seemed to understand what Social Credit really meant, and the importation of some highly expensive interpreters from abroad only complicated things.

A little weird legislation was put through only to be tossed out by the supreme court. In the end all ideas of Social Credit pretty well petered out as well as the most vocal supporters of the new creed. But the name persisted.

A government still solemnly calling itself Social Credit was re-elected in 1940 and 1944. That is the label its supporters are using again in this election though they are even less sure of what it really means than Mr. Aberhart and his original followers in the campaign of 1935.

Originally Mr. Aberhart may have had some hope or intention of really putting Social Credit into force, but certainly his successor Premier Manning has not shown much enthusiasm about it. The half hearted attempt of Mr. Aberhart almost wrecked the credit of Alberta and his successor has had to work too hard to restore that credit to be inclined to risk it again.

But that is not enough. If Mr. Manning, as most people believe, has not the slightest intention of reverting to the original policy of the Aberhart group then he should be honest and repudiate the name too. If he did, it would greatly simplify matters for the perplexed voters of Alberta and a few other sections where the name is used. Such a step would also end the time-wasting nonsense of so-called Social Credit parliamentary members who, every so often, seem to think that they should make a fresh attempt to explain a policy that after 13 years no one has ever been able to define.

Some Albertans say the Manning bunch gives reasonably good government, that there is no use in disturbing them.

What such people must never overlook is that Social Credit as spouted by its zealots particularly in the Dominion House remains a zany, dangerous creed.

It Cost More Just the Same

Canadian wheat prices advanced 45 cents a bushel last month. In normal times this would have meant at least a cent jump in the price of a loaf of bread. But in these days of a government wheat monopoly, times are not normal and the natural law of supply and demand is not permitted to function.

So we witness the miracle of bread prices remaining unchanged, while the main ingredient in that bread soars almost 30%.

Of course in our Dominion tax bills next year we will pay this 30%, plus a substantial additional amount to cover overhead. But this 30% won't be labeled an increase in bread prices. That might upset our sacred official cost of living index. It will be called a subsidy to wheat growers for wheat used in domestic flour.

On the approximately 50 million bushels used annually for that purpose, the direct cost of the subsidy will be $22.5 millions and there will be several millions more to cover bookkeeping and distributing charges and plain red tape.

It is a crazy system, this slapping on of a subsidy, every time bread threatens to rise, and in the end it won't fool anybody. Consumers in this country are not all children and every one of them in some form or another pays taxes.

When prices rise as they have on wheat, it would be far simpler, cheaper and more sensible to let these rises be passed along directly, instead of this childish and expensive sugar-coating through a subsidy.

For months the Government and the wheat growers have known that wheat prices were to rise 45 cents a bushel under the British contract on July 31. The sensible thing to do was to explain this rise to Canadian consumers. And while they were at it, the Ottawa politicians might have also told Canadian consumers that they would still be getting wheat for their bread at 50 cents per bushel below the world price. But that is another story.

They Don't Miss a Trick

The Russians are nothing if not thorough in their world-wide operations of obstruction and infiltration. Their machinery can be adapted simultaneously to a big project like the Berlin blockade and a $50 a month squeeze play against a former Soviet national now living in Canada.

A Canadian recently married a Russian divorcee who came to this country with her parents before the war. The couple confirmed the validity of the Russian divorce through External Affairs at Ottawa, but the decree itself did not arrive until after the wedding.

It was delivered by an External Affairs official who also brought along a message from the Russian authorities.

The gist of the message from the Moscow government was that the wife "no doubt having the usual feelings of a mother would wish to contribute, say $50 a month in Canadian funds, to the support of her son in Russia and while, of course, the people of the Soviet had plenty of everything, perhaps she would also care to send gifts to her son every now and then."

Wisely, she is doing nothing about it. This is a well-tried Russian trick for getting people in their clutches. If she did pay, the ante would merely go up and up, and eventually she would likely find herself blackmailed into being a secret agent.

Since then, the husband has discovered that the Russians are building up a report on him—how much he earns, how he lives, how he spends his money, what he does in his spare time, how influential his position is.

It was Igor Gouzenko who testified at the Ottawa espionage trials that he was able to uncover only one of seven Soviet spy rings in Canada. We must remember that.

Celebrate Them on Monday

Circulating among Canadian trade associations is a resolution calling upon the Dominion Government to have all national holidays celebrated on a Monday. It also asks that if there is any addition made to the present list in the future, these either be fixed for a Monday or a Friday. This is a sound suggestion and it should be heeded.

The present hit or miss system when Empire Day or Dominion Day may come in the middle of the week has really nothing to commend it. There is little historic significance about the actual dates we use now. The first originally honored the birth of Queen Victoria — who died almost half a century ago—but has since been largely changed to Empire Day. While the BNA Act did come into force on July 1, that date does not coincide with the culmination of confederation, which is the real event the holiday is intended to honor. Even our major religious holidays, since the reform of the calendar in the 18th century, no longer coincide with the original dates.

Suppose some time in the future, when the outlook for permanent peace looks a little more promising, we decide to set aside a date for commemorating the end of war. Which would we choose? The old Armistice date on November 11, VE Day in May or VJ Day in August? The sensible thing would be to select a different date entirely, tie it definitely to peace or the end of war, and fix it for the nearest Monday in each year.

Aside from the very considerable dislocation for industry and business when a national holiday falls in the middle of the week, there is a most important human factor. Added to the weekend, the extra day gives a real break and a chance to get away from routine, to the average worker and his family. Coming in the middle of the week it is merely a day when one stays around home rather than going to the office or plant.

Holiday Scratch Pad

AT A RECENT business luncheon each guest found beside his chilled grapefruit a tiny box tied in gay red ribbon. Inside was a mechanical pencil with a gadget top which, if you remembered to set each month and you already knew what day it was, would tell you the date. It was a neat little job, only marred slightly by an advertising message, and the name of the firm throwing the party.

In a few weeks most of the recipients would have turned over the pencil with its advertising message to some more mechanical son.

But before the novelty had worn off all traces of the advertising had disappeared. Whether modesty on the part of the donor was responsible for the magic or merely a poor paint job we are not sure.

• • •

IF SOMEBODY comes posing as a research man and inviting you to spend the next hour or two answering questions about the more intimate details of your amatory life, don't just take his word for it that he works for Kinsey. The Report Man isn't so far in any case interested in Canadians. But posing as Kinsey interviewers and probing deep into the affairs of willing innocents is a growing sport among American hellions.

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BEER BEATS BOOKS. After long, elaborate negotiations, a book publishing firm assembled a gang of plasterers to start on the long-awaited refurbishing. Soon the gang departed — across the street. Over there, too, there was work for them. The seduction that took them away was the offer of free consumption of the company's product, beer. The bookman is staying awake nights thinking up retribution.

• • •

CANADA'S SAVILE ROW, group of exclusive King Street merchant tailors in Toronto, is feeling the pinch of increased costs (of English worsteds and Scotch tweeds) and higher wages like everyone else. We were highly flattered to receive a chaste announcement from Lloyd Bros., one of the leading tailors, that they had been forced to put their prices up. Their business suits now cost $150, director $160, morning $180, dinner $185, dress $195. Topcoats are $130 up; overcoats $160 up. Trousers are $40 to $45. C. J. Lloyd told us prices were up less than 50% over 1939, while average prices in the trade are up 75% to 100%. It costs him $105 to $108 to turn out a $150 suit; in New York or Chicago the selling price would be $225, in Hollywood $250.

• • •

WE'VE OFTEN BEEN irked while window shopping to find the price tag of some interesting item deftly turned so it couldn't be read no matter how we craned. We always suspected this was a dodge to lure us into the store. It turns out this is a mild form of burglar insurance. Fur thieves smashed a store window the other day and "selected" the most valuable coat in the window — a natural wild mink. They were guided by the $5,500 price tag, prominently displayed.

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A NEWSPAPERMAN we know, sidewalk superintendent of considerable experience, spent several noonhours lately supervising construction work on a street-widening project. He got quite a bit of tan from this work but no callouses. He did, however, acquire a new item for his collection of curious signs. This one, unpunctuated, read: SLOW MEN AT WORK.

• • •

TRADITIONALLY, August is the time of doldrums in the news business, the time of "dog days." Our morning paper bore this out the other day. Five stories featured dogs:

BAGGAGEMAN LEADS DOGS LIFE CHASING MAN'S BEST (?) FRIEND.

MISSES DOG, HITS POLE.

DOG WENT TO WAR WITH MASTER CAN'T LIVE AT STANLEY BARRACKS

DOG DIVERTS BEAR FROM WOMEN HUSBAND IS CLAWED BY SECOND.

PET DOG HELPS TO AWAKEN BOY IN TIME TO GIVE FIRE ALARM.

The dog days indeed! Another item about a man who made canine noises when the waitress brought the check was headed:

MEAL CHECK BRINGS BARK FROM CLIENT.

• • •

WE'RE ALL FOR the drive of income tax collectors to make sure they get all that's coming to them and almost every week the news reports success in catching tax chiselers. Undoubtedly their efforts are going to sharpen a good many consciences.

There must have been red faces at this one. A man was brought into court on the charge of failing to file tax returns. He swore he had. The income tax men couldn't prove he hadn't. He left the court with a light heart and a happy whistle.

While Napier Moore, regular writer of Scratch Pad, is on holidays, authorship is by the editorial staff of The Post.

Stop Me If —

"How romantic, meeting your wife at a dance."

"It wasn't. She thought I was at home with the kids."

• • •

A young Scotsman went to the telegraph office one morning and wired a proposal of marriage to his sweetheart. After spending the entire day and part of the night waiting, he was finally rewarded by an affirmative reply.

"If I were you," suggested the operator who delivered the message, "I'd think twice before I'd marry a girl who kept me waiting all day for my answer."

"Na, Na," replied the young Scot. "The lass who waits for the night rate is the lass for me."

Cartoon by Grassick.

"THEY SAY HE STUDIED ABROAD."

Post Scripts

RMA-RCA Chief

Frank R. Deakins, new president of the Radio Manufacturers Association of Canada, has been closely associated with the development and expansion of the radio industry in North America for the past 20 years and more.

MR. DEAKINS

President of RCA Victor since 1944, with headquarters in Montreal, he has been with that organization in Canada and the United States since 1930. He joined the parent company in Camden as assistant to the president, was vice-president in Montreal from 1932 to 1934, returned to Camden as manager, engineering products department, and in 1938 was appointed vice-president of the American company.

Deakins was born in Jasper, Tennessee, in 1893, and went to Pryor Institute there, before going on to graduate in electrical engineering at Alabama Polytechnic Institute at Auburn in 1914. He was with General Electric at Schenectady for the next 15 years before joining RCA. From 1928 to 1930, he was sales manager of GE's radio department.

The new RMA president is married and has three children. One of his sons is a Philadelphia doctor, the other a student at Clarkson College of Technology, Potsdam, N.Y. His daughter, Janet, attends Trafalgar School in Montreal.

Deakins' chief hobbies are golf and fishing. He is a member of the St. James's, Royal Montreal Golf, Seigniory and Pontiac Game clubs.

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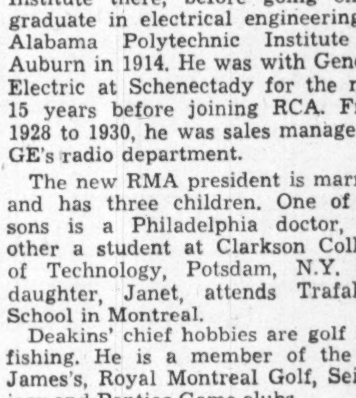
Hopes to be Premier

Two years ago Joseph Robert Smallwood became convinced that the best answer to the problem of his country's future prosperity was for Newfoundland to become a part of the Dominion of Canada. At first he was almost a voice crying in the wilderness, but by hard, persevering work he turned the idea into the strongest force in the land.



MR. SMALLWOOD

Smallwood, known as "Joe" to a host of friends and almost as many enemies, was born in the small Newfoundland village of Gambo and received his early education in the tiny schoolhouse there. Later he completed his education at St. John's. Married, with two children, he is 48 years old, short, slight, with energy to burn.

He was born restless. Starting early in life as a journalist, he went on to become a labor union organizer. From there he entered politics in the days when Newfoundland was still a Dominion. His politics are Liberal. He started off as campaign manager for Sir Richard Squires, one of Newfoundland's better-known former prime ministers. In 1932 he stood for election to the House of Assembly, but he was snowed under.

It was very different in the election for the National Convention two years ago when he rolled up the biggest majority in Newfoundland's history.

When the Commission of Government was appointed in 1933, Smallwood went back to writing, acting as an organizer of co-operative societies on the side. During this period he wrote several books dealing with different aspects of Newfoundland's history and way of life. The best known of these is the two-volume "Book of Newfoundland" which he edited.

Shortly after it was published he went into radio with a program he called the "Barrelman." He was the whole show, writing and producing it with the object of "making Newfoundland better known to Newfoundlanders." The program collected and aired odd bits of history, tall tales of the fishing ground, and generally eulogized the country. For seven years it was the most popular program on the Newfoundland network.

Came the war, Smallwood quit his program, spent a few weeks publishing a newspaper which folded due to lack of capital, then started a pig farm at Gander, supplying the mighty airbase with pork all through the conflict.

Then from London came the Commonwealth Relations Office's decision that the Commission of Government had finished its job and it was time for a change, so the circle was complete and Smallwood went back to politics again as a member of the national convention.

Since the start of the convention Smallwood has had time for nothing else. He talked, ate and slept politics. He still does. He reads a lot and loves statistics, but, strangely, the simplest percentage problem can mix him up.

One of the oddest things about his political life is what has been called "Smallwood's second time luck." The first time he tried to persuade the national convention to send a delegation to Ottawa to discuss confederation, he failed miserably; the second time, he succeeded. The first time he tried to get confederation on the referendum ballot paper, he failed again; the second time he succeeded. The first referendum ballot resulted in no majority for anyone, the second time confederation won.

With his immediate aim won, Smallwood is supposed to be taking a rest, but he is still talking and acting politics with an eye on the future. He is aiming at the premiership of the new province, and the way things stand now many expect he will get it.

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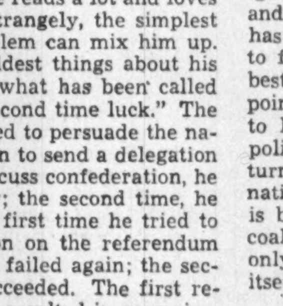
He's a Hosteler

Harry Morison Lay is a young Canadian in a comparatively new Canadian business — tourism. Recently appointed controller of The Chantecler Hotel and a director of The Chantecler Hills Estate Inc., at Ste. Adele, Que., he believes resort hotels have a fine opportunity right now to help correct imbalance in our trade with the United States. He also says that Canadian resorts should be first to promote greater travel by Canadians within Canada.



MR. LAY

Born at Barrie, Ont., Lay is a great grandson of William Lyon Mackenzie and a son of the late H. M. Lay and the former Janet King. His mother is sister of Canada's Prime Minister.

Lay finished high school at Barrie just in time to join the RCAF in 1939. He served on the east and west coasts, Alaska and Newfoundland. Leaving the air force as a squadron leader, he went back to school and this year graduated in arts from University of Western Ontario.

One of his strongest beliefs about his new job is that there is more to tourism than the encouragement of travel; that vacationists' demands must be met, the customers satisfied.

His work leaves little spare time to indulge hobbies, but one of his favorites is painting. He also holds a commercial pilot's license and takes an occasional hop over the Laurentians.

His wife and three small children—Helen, Janet and Alison — also claim some attention. Lay is married to Margaret Adele Thompson.

What Others Are Saying

Editorial of the Week

New Wearer for Laurier's Mantle

Vancouver News-Herald

The Rt. Hon. Louis St. Laurent as the new leader of the Liberal Party and eventually the Prime Minister of Canada has no easy task ahead as the successor of one who has been in his own odd, mystic, far-seeing, compromising way a giant among politicians of modern times at least—Prime Minister Mackenzie King.

It fits in with the Canadian scheme of things that the mantle of Laurier which has been worn for the last 29 years by one from English-speaking Canada should now pass to the shoulders of a French Canadian. This is so from the viewpoint of not only of party advantage but the ideal of national unity.

Mr. St. Laurent takes on the responsibility of re-establishing the Liberal Party in the confidence of all sections of Canada. It has traditionally been the boast that the Liberal Party was more national in its outlook and in its representation than other parties. Of late, however, there have been ominous signs that this national front might be denied. The party and the nation now turn to Mr. St. Laurent to remedy the defects.

Other People's Views

IF YOUNG MEN with education prefer civilian to military employment, comments the **Montreal Star**, the Department of Defense will have to take steps to make the Armed Forces even more attractive if the new recruiting campaign is to be successful. "This would in turn cost more money. Let the fact be mentioned now lest those who advocate a great increase in our defense strength later on complain about the cost and the high level of taxes. We cannot have it both ways. In matters of preparedness we must be prepared to meet head-on not only those who call us war-mongers, but also those who complain that the defense they demanded costs a lot of money."

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CANADIANS ARE GRATEFUL for the removal of austerity excise taxes, states the **Vancouver Province**, but are frankly cynical about the Government's motive. "We can't help feeling the Liberal setback in Quebec and the Liberal leadership convention have a lot more to do with it than economics. Obviously the Government had to get rid of its special excise taxes; they failed to conserve Canadian dollars and helped to inflate the cost of living. But why it dilly-dallied over their removal until the eve of the Liberal convention is something to puzzle both economists and politicians. The Government's economists, the 'brain trusters,' have had their way for a while and they have not improved the Government's political health. Now the practical politicians are having their innings. Those innings may not be too successful. We don't like the idea that issues of national importance are being settled on the basis of village pump politics any more than we like the idea that they are being settled on the basis of high-handed economic experimentation."

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COALITION IS NOT the answer necessary to meet the challenges of the CCF, maintains the **Montreal Gazette**. "It is clear that if a coalition is formed at any time except when there is one clear objective accepted by all the community as in the stress of war, the Government therefore acts on a policy which all could agree on. The points on which there are sharp differences are ignored, though often they are the most urgent and in the end the most important. Experience has shown that men seldom have the mental grasp to find a policy which really brings together the best elements in policies prompted by the various points of view. Therefore it would seem better to let those points of view become the working policies of different parties, each of which has its turn in promoting legislation for the good of the nation. Political progress as events have shown is best made not by the merging of parties in a coalition, but the recognition by each party not only of the points of view for which it stands itself, but those represented by the other side."

The Financial Post

Member Audit Bureau of Circulations
Member Business Newspapers Association of Canada

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Aug. 14, 1948

The Provincial Roundup

British Columbia

UBC's First Lawyers: First class to graduate from University of British Columbia's Law School, was called to the bar before Chief Justice W. B. Farris in Vancouver — 52 students, including 43 exservicemen and two women. History was made when Dean George F. Curtis of the Law School was also admitted to the bar, without being required to comply with the usual requirements — the first time such a concession had been granted by the Law Society since its formation more than 60 years ago.

Communist at Bar?: One member of the graduating class was not immediately admitted to the bar. The Law Society deferred decision on the case of Gordon Martin, a Labor Progressive candidate in the last provincial election; agreed, after prolonged deliberation, to allow Norman Littlewood, 25, said to be an admitted Communist, to be enrolled as a law student. Both applicants had declared themselves ready to take the barrister's oath "to bear allegiance to the King, and to do my utmost to make known, any treason or conspiracy." Martin said, however, he had refused to answer questions as to his political beliefs: "I do not believe the Benchers have authority to inquire into anyone's politics."

* * *

Alberta

173 in Field: A field of 173 political sprinters strained at the barrier this week end, awaiting the starting gun next Tuesday. Social Crediters, seeking a fourth term in office, were contesting every one of the 57 seats; CCF 51; Liberals 49. Independents, who had run 36 candidates in 1944, now had only nine in the field (in 1944, Liberals and Progressive Conservatives had run under the Independent banner). Labor Progressive Communists, with 30 starters four years ago, now had only two. Three Independent Social Credit-ers were among other heterodox entrants. Eight women were candidates, including one member of the last House, Mrs. C. R. Wood, Social Credit, Stoney Plain.

While still refraining from taking sides on the question of private or public operation of rural electrification, Premier E. C. Manning pledged that the Government would accept the voters' verdict in next week's plebiscite "as an inescapable obligation and responsibility." He also denounced as "an insult to every urban voter," a CCF demand that only rural residents be allowed to cast ballots on the plebiscite.

Fight Second Freight Boost: Premiers of Social Credit Alberta and Socialist Saskatchewan were in agreement for once, in opposition to the railways' application for a second freight boost of 20% (to offset recent wage increases of 17c an hour). Said Premier E. C. Manning: "An increase approximating 45% of the rates in force last March, would be absolutely disastrous to the economy of our province; we will fight to the last ditch, to prevent such a burden being placed on our people." Premier T. C. Douglas: "Adding insult to injury — any such further increase would only further aggravate the inequalities of the present freight rate structure."

* * *

Saskatchewan

Cabinet Revamped: Closing his cabinet ranks after last June's election, Premier T. C. Douglas handed extra duties to several ministers. Municipal Affairs Minister J. H. Brockelbank became Resources Minister, and Reconstruction Minister J. H. Sturdy took over Social Welfare and Rehabilitation (replacing, respectively, J. L. Phelps and O. W. Valleau, defeated in June). Cooperatives Minister L. F. McIntosh assumed the Municipal Affairs portfolio, in addition to his own; Labor Minister C. C. Williams took over the extra post of Provincial Secretary, formerly held by Valleau. Provincial Treasurer C. M. Fines took over administration of the Government Insurance Office, also formerly administered by Valleau; and Scottish-born James Andrew Darling of Watrous entered the cabinet as Public Works and Telephones Minister, a new portfolio. Net result: a cabinet of 11 members, instead of 12, as previously.

Truckers "Disappointed": An interim increase of 5% in trucking rates, was granted by a government commission to the Saskatchewan Motor Transport Association, which had applied for an interim boost of 12%, a permanent one of 21%. The commission reported itself unable to make a final finding as yet, since it had "considerable difficulty in getting full information from certificate holders." It had made clear to all truckers, it stressed, that all information of a financial nature was to be treated as confidential, and would not be made available to competitors or to the public. The commission found there had been some increase in operating expenses, but felt this had been partly offset by increased volume of traffic. Secretary-manager Cliff Gamble of the SMTA, "very disappointed" at the award, said truckers' costs had increased more than 40% since 1935. He charged the Government's own transportation line from Prince Albert to Lac la Ronge, was allowed rates 21% above those of private truckers.

* * *

Manitoba

Nurses, Greatest Need: Provincial authorities, though reluctant to look Ottawa's $1.8 million health grant gift horse in the mouth, felt that it was top heavy on the construction side — for which purpose approximately $769,000 was earmarked. Manitoba's greatest need was additional funds for training of nurses; it hadn't sufficient to staff existing hospitals adequately. The province has already pledged itself to pay dollar for dollar with the Dominion on hospital construction, up to $1,000 a bed for ordinary patients, $1,500 a bed for chronic disease cases.

Biggest Flood Bill: The province faced its heaviest flood damage bill: $571,631 required to repair trunk highways and main market roads, plus heavier maintenance costs for at least two years to come. The province undertook to pay $443,300, including $12,000 to rebuild the highway used by Carrot River Valley settlers; municipalities would make up the balance.

* * *

Ontario

Rockcliffe for Royalty?: Ottawa's Board of Control was studying "a gift fit for a king" — a proposal to transfer 19-acre Rockcliffe Park to the Crown, as a site for a royal residence (in the light of a recent intimation by Prime Minister King, that the King and Queen might soon spend part of each year in Canada). Generously wooded and beautifully landscaped, the site overlooks Ottawa River, and commands an unparalleled view of the Gatineau hills; is valued at an estimated $2.5 millions. The Federal District Commission at present holds a 99-year lease on the land; but it was suggested this could be adjusted, if the gift were decided upon.

Arbitrate Fruit Prices: Deadlock over prices for 1948 plum and pear crops, fruit growers and canners of the Niagara district finally applied to the Farm Products Marketing Board for arbitration and price fixing. Growers asked for the 1947 price on plums, and a higher rate for pears; canners countered by offering the 1947 figure for pears and a lower one for plums; said they could not meet higher operating costs, and sell at the price ceiling set last year.

* * *

Quebec

McGill to Teach Housing: Five fellowships in community planning and housing, made possible by grants from the province, the City of Montreal, and Central Mortgage & Housing Corp., were announced by McGill University. The awards, valued at $1,000 each, will be open to graduate students of accredited universities who may obtain their master's degree in such subjects as architecture, engineering, geography, or sociology. The course, in most instances, will require two academic years, of which the first must be spent at McGill.

Push Close to Pole: The Hudson's Bay Co. chartered-motor vessel Terra Nova nosed out of Montreal Sunday, headed for the Arctic with supplies for settlements along the eastern and northern coasts of Baffin Island; would push northward to within 15 degrees of the Pole, to supply Dundas Harbor, a settlement on Devon Island. The Terra Nova is one of seven vessels being used this year in place of the Nascopie, lost last year off Baffin Island; a new government replacement is scheduled to be in operation by 1950.

* * *

New Brunswick

Crops Look Good: The agricultural picture was bright this week; barring abnormal weather conditions, most crops should be well above normal. Potato growers, with 67,000 acres planted, are hoping for "an excellent harvest," an Agricultural Department official reported: "The crop is now in the crucial stage, so farmers are keeping their fingers crossed." Recent rains had improved pasturage conditions, and, as a result, dairy and cattle prospects. In a hundred barren areas from Charlotte to Gloucester County, a miniature army of blueberry pickers was this week harvesting a $250,000 crop. Due to late planting, the grain picture was not so encouraging in Westmorland and Kent counties; but in the Saint John River Valley coarse grains were thriving, promising average or better yields.

* * *

Nova Scotia

Woman Mayor MP Next?: The province's first woman mayor, Mrs. Gladys Porter of Kentville, might also become its first woman member of Parliament; rumors mentioned her as Liberal candidate for Kings-Annapolis-Digby, in the event of Rt. Hon. J. L. Ilsley, former Justice Minister, resigning that seat. Four years a town councillor, now in her second term as mayor, Mrs. Porter is also permanent secretary-treasurer of the Maritime Hospital Association.

* * *

Prince Edward Is.

Busy on Highways: Highway work on the Island was at a record level this year, although only six miles of actual hard-surfacing was scheduled. The Highways Department reported tractors, graders and maintainers "working in all electoral districts." Completion of paving of the Charlottetown-to-Wood Islands Ferry highway is promised for next year, and the Department is hoping for federal aid to pave the Island's share of the Trans-Canada Highway, from Borden to Charlottetown. Tourists, meanwhile, were encountering travelling difficulties due to road work, since the whole year's program must be completed in four summer months.

VLA Aids Veterans: By the end of this year more than 800 World War II veterans will be established on Island farms or in the commercial fishing business under VLA. Some 1,435 applications have been considered and 1,146 approved, some taking training or alternative benefits in the meantime. Of the total, 688 will be full-time farmers, 302 will have small holdings, and 156 are fishermen.

BUSINESS THIS WEEK

	JULY	JUNE	MAY	APR.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dominion total revenue	....	233.2	271.8	196.2	220.6
Dominion total expend.	....	194.9	144.1	97.9	185.9
MERCHANDISING					
Dept. store sales index no. (1)	....	....	279.7	278.9	247.8
Retail sales index (no.)	....	....	267.2	253.3	247.4
Country store index (no.)	....	....	247.3	206.0	236.9
Wholesale sales index (no.)	....	....	273.3	285.2	280.6
FINANCE					
Dividend payment index (5)	201.8	197.9	196.9	195.0	165.7
Money supply (millions $)	....	....	3,970	4,052	3,777
NEWSPRINT CAPACITY					
Production ratio	....	101.6	103.1	102.3	101.0
Shipment ratio	....	101.8	105.6	101.1	106.7
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	247.0	226.5	214.9	222.2
Cars (D.B.S.)	....	161.1	160.6	170.1	160.9
COST OF LIVING					
▪D.B.S.	156.9	154.3	153.3	151.6	135.9
EMPLOYMENT INDEX					
All industries	....	....	185.8	186.6	179.6
Manufacturing	....	203.4	201.7	202.0	197.6
Payrolls (June 1/41=100) (2)	....	....	187.3	184.7	164.0

	1948	1947	1948	1947	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week July 31)	76.0	79.0	2,296.5	2,254.9	+1.8
C.N.R. gross rev. (June)	39,708	37,392	228,464	212,241	+7.0
C.N.R. net rev. (June)	1,647	4,159	11,106	17,718	—37.3
C.P.R. gross rev. (June)	27,546	26,465	160,830	150,825	+6.6
C.P.R. net rev. (June)	—4,107	11,769	—164	6,422	—102.6
IRON AND STEEL (000's omitted) (May)					
Pig iron production (tons)	193.3	160.2	847.9	813.3	+4.2
Steel production (tons)	289.6	244.1	1,336.2	1,245.0	+7.2
CONSTRUCTION (000's omitted)					
▪Contracts awarded (July)	89,791	72,515	572,827	401,727	+42.6
Cement prod., bbls. (May)	1,100	950	5,255	4,345	+20.9
AGRICULTURE (000's omitted)					
Flour prod., bbls. (June)	1,912	2,449	11,153	14,367	—22.4
Flour exp., bbls. (June)	1,041	2,342	6,535	9,730	—32.8
Wheat exp., bush. (June)	11,194	21,057	58,127	76,791	—24.3
Cattle sales (June) (4)	120.0	95.9	711.5	618.7	+14.9
Hog sales (June) (4)	403.6	336.3	2,836.4	2,269.6	+24.9
SEA FISHERIES (000,000 omitted)					
Catch, lb. (June)	122.4	107.0	543.8	405.4	+34.1
Landed value $ (June)	7.0	5.9	21.6	17.2	+25.6
NEWSPRINT (000's omitted)					
Production (June)	383	356	2,261	2,193	+3.1
Exports, tons (June)	384	375	2,222	2,191	+1.4
MINING AND OILS (000's omitted)					
Coal prod. (tons) (June)	1,375	1,126	8,503	6,650	+28.0
▪Gold prod. (fine oz.) (May)	286	269	1,394	1,245	+11.9
Petroleum prod. (brl.) (April)	796	602	3,170	2,336	+35.7
ELECTRICAL POWER OUTPUT (000,000's omitted) (May)					
Total monthly kw.h.	4,077	3,917	18,828	19,042	—1.2
FOREIGN TRADE (millions of $)					
Imports (May)	225.1	240.3	1,037.1	1,025.7	+1.1
Exports (June)	234.5	272.7	1,401.1	1,328.5	+5.4
FINANCE (millions of $)					
▪Bank debits (June)	6,475	5,975	38,108	36,409	+4.7
▪Bond sales (July)	344.2	181.0	2,577.8	2,695.7	—4.4
Life insurance sales (June)	101.7	103.6	610.7	620.9	—1.8
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod. (May)	2,536	3,277	13,767	16,570	—16.2
Cigarette cons. (no.) (June)	1,428	1,211	7,812	7,438	+5.0

(1) Base period 1935-39=100.
(2) All industries.
▪New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.

D. A. MITCHELL

has been appointed president of the newly formed Dexter Lock Canada Ltd., at Guelph.

ABOUT YOUR TAXES — By STUART THOM

New Regulations Affect Timber Limits and Mines

The Department of National Revenue (Taxation) has recently published three regulations under The Income War Tax Act. They will be found in Part Two (Statutory Orders & Regulations) of The Canada Gazette, July 14, 1948. (Vol. 82, No. 13).

Each regulation is promulgated under the authority of a section of The Income War Tax Act for which there is an analogous section in the new Income Tax Act. In no case does the regulation indicate that it is applicable to assessments under the new Act, nor is there any provision in the new Act whereby regulations under the old Act are adopted for the purpose of the new Act.

The regulations, too long to quote in full, are summarized as follows:

(1) Regulations for the Depletion of Industrial Mineral Mines P.C. 2747 dated June 17, 1948.

Where the industrial mineral is contained in a non-bedded deposit as certified by the Minister of Mines and Resources, depletion is allowed at the rate of 33⅓% of net profits without regard to the capital cost of the mining property.

Where the mineral is contained in a bedded deposit, the depletion allowance is on a unit rate basis and is limited to capital cost. A provision is included to prevent the inflation of capital costs by controlled sales or transfers and where there has been a sale or transfer between closely related interests the allowance is cumulative.

The regulation applies to income of 1947 and subsequent taxation years.

(2) Regulations for the Depletion of Timber Limits P.C. 2771, dated 17th of June, 1948.

This regulation replaces and amends a regulation covering the same matter promulgated in November, 1947. The allowance is on a unit rate basis and is limited to capital cost. The purpose of the amendment is to ensure that in establishing capital cost consideration is given to the residual value after cutting operations are completed. A further amendment is that when the limit has been transferred between closely related interests the allowance for depletion is cumulative.

The regulation is stated to be applicable to the income of 1947 and subsequent taxation years.

(3) Amendment to Regulations for Exemption from Income Tax of Certain Mining Companies. P.C. 2897 dated June, 26, 1948.

These regulations were first published in September, 1947, and provided that the exemption period of three years would commence six months after the start of actual milling operations. The purpose of the amendment is to permit the Company to reduce this six months period if it so desires.

Make Cellulose Sponges in B. C.

From Our Own Correspondent

VANCOUVER—A new Canadian industry—manufacture of cellulose sponges—went into operation this week in Vancouver.

The sponges, previously manufactured only in the United States and Scandinavia, are being made from high grade white pulp supplied by local forest companies, under special patents.

Located on Granville Island in Vancouver, the new $100,000 plant, employs 30 persons and is making commercial and domestic sponges. Officials expect to supply them to the Canadian market and also to export them to the U. S.

President of the new industry is Frank Parker of Qualicum, a well-known lumber operator and vice-president of the B.C. Truck Loggers' Association. Vice-president is Camillo Carlsen, who arrived recently from Denmark and who has been connected with cellulose sponge production in Scandinavia.

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OF CANADA LIMITED

"let's ask the Family Herald"

The number and variety of questions that Family Herald readers ask each year would fill several volumes.

Questions pour in from every corner of rural Canada. They come from teen-agers, youngsters, rural housewives and seasoned farmers. They ask about everything from poultry raising and needle-work, to old songs and legal matters.

What's more, most of these rural folk, have no other convenient source of information than the Family Herald!

When a magazine gets that kind of confidence from its readers, it becomes more than a magazine.

It becomes a vital part of their everyday lives!

That same confidence penetrates deeply into the advertising columns to get steady results for the consistent advertiser.

For the record, the Family Herald received 132,020 enquiries from its readers during 1947.

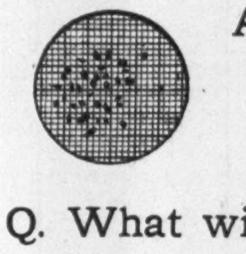
Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

Blood
—a barometer of Health!

Q. How do blood tests help guard your health?

A. These tests help to reveal the condition of your blood so that your physician can detect "hidden" diseases that are often difficult to diagnose in their early stages. Many doctors use blood tests as a regular part of periodic physical examinations. So, if your doctor suggests a blood test, don't worry. He is using, for your benefit, one of the valuable procedures of medical science.

Q. What does a blood count tell your doctor?



A. Checking the number, size, shape, and condition of your blood cells is called a blood count. The number of red cells and the amount of hemoglobin in them is one of the indices which help reveal your general physical condition. A count of white cells may be of value in diagnosing certain diseases. It is sometimes combined with the sedimentation test, which establishes the time taken by blood cells to settle.

Q. What will chemical analysis of the blood show?

A. Your blood is composed chiefly of water, salt, sugar, fat, and proteins. Chemical analysis of the blood is used to determine whether or not these and other components are present in normal amounts. This is important in aiding the diagnosis of certain diseases. For example, excessive sugar, salts or waste products in the blood indicate conditions requiring medical treatment.

The Canadian Red Cross has prepared a helpful booklet on the blood and its relationship to good health, entitled "The Story of Blood." Through the courtesy of the Red Cross, the Metropolitan is able to send you a free copy on request. To get your copy, simply fill in and mail the coupon below.

Metropolitan Life Insurance Company,
Canadian Head Office, Ottawa.

Please send me a copy of the booklet 88-Y, entitled "The Story of Blood."

Name..........
Street..........
City..........
Province..........

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
New York

Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT

Canadian Head Office: Ottawa

BILL: Hullo, Jack, glad to see you looking so fit! And how does it feel to be back to work again after your vacation?

JACK: Well, a collar does seem a bit strange after those weeks in the North Country, I'll admit, but it feels good to be back in the office again. I got an interesting bit of news today, too!

BILL: Right on the job, eh! What was the news?

JACK: Well, our friend, Norman Spencer, President of Canadian-European Forwarders has organized another Company—to offer a new type of Travel Bureau Service—and he is calling it Canadian International Travel and Tours Co. Ltd.

BILL: Good stuff—it's a natural, isn't it? I suppose they will be able to arrange both business or pleasure trips to any part of the world, as well as in Canada?

JACK: Exactly! And they will do it for either individuals or groups. They have a highly experienced man heading up this new company, and they specialize in giving an absolutely complete service to make your trip pleasant.

BILL: Good for them. It's about what I would expect from Norman Spencer, knowing what a progressive, live outfit he heads up already. And they'll make a go of it too, I'm sure, because they'll have the tradition to live up to, that when Canadian-European does a job, it's done RIGHT.

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Canada's Leading International Freight Forwarders
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What Will Union Mean?

The Question: What immediate business effect in your region may be expected when Newfoundland joins Canada?

Prince Edward Island appears most optimistic as to the effect which union of Newfoundland with Canada, would have on trade conditions, according to answers to a Financial Post questionnaire. Several other maritimers saw fewer benefits resulting. Abolition of present Newfoundland tariffs against Canadian goods, might create a wider market; but some observers predicted that the Island might find it necessary to impose new taxes, in lieu of its customs revenues; and that these taxes would curtail Newfoundlanders' spending power.

RALPH P. BELL, President, National Sea Products Ltd., Lunenburg, N.S.

None. Had Canadians been given the opportunity afforded the citizens of Newfoundland of expressing their wishes in advance by plebiscite, opinions such as you now solicit might have been of some value at that time, but today, with Canada committed, I see little point in any such expression. I am one of that rapidly growing body of public opinion that is appalled and apprehensive at the increasing exercise of autocratic power by Cabinet. We suffer from too many bureaucrats certain they know what is best for the people and equally certain that the people themselves do not know.

* * *

A. WALTHEN GAUDET, Secretary, Board of Trade, Charlottetown.

Through the good work of W. E. Agnew, our provincial Trade Commissioner to Newfoundland, over a period of the last few years, our export trade to that colony in 1947 was close to $3 millions. Under confederation of Newfoundland with Canada and the anticipated rise in the standard of living there, we not only expect to hold this market already developed, but to see the same greatly expand yearly. With improved steamship facilities and expanded air services, which doubtless will follow confederation, Newfoundland should become an increasing market for our superior agricultural products and livestock.

J. R. BURNETT, Editor and managing director, The Gardian, aging director, The Guardian,

If the central provinces be co-operative, the immediate and ultimate effect on the admission of Newfoundland will be beneficial to both Island provinces. Prince Edward Island has long cultivated the old colony's agricultural market, subsidizing a steamship service from Montreal for the purpose. If Montreal and Toronto exporters refrain from crowding these vessels with produce to the exclusion of Prince Edward Island's, our future is roseate and great development in the inter-island provincial trade is assured.

* * *

HON. F. R. HERTZ, President, The Patriot, Charlottetown, P.E.I.

Union with Newfoundland is looked upon as most advantageous to Prince Edward Island as a farming community. We ship livestock there at present quite extensively, as their nearest food-producing country.

* * *

LARRY G. HONNOR, Editor, Kings County Record, Sussex, N.B.

Businessmen in this area see little possibility of a change in business level because of Newfoundland-Canada union. I feel, however, that trade with Newfoundland might increase, because freighting by sea is cheaper than by rail. One businessman felt that farmers of this area might benefit, in that a new field for export of dairy products would be available. Lumbering would not increase here, as Newfoundland has plenty of that. It was suggested that manufacturing of wood products—furniture, etc. might rise. There are no fisheries in this part of N.B. to be any way affected by any interprovincial trade in fish which might result.

* * *

DR. B. A. MARGO, Consulting Management Engineer, Montreal

Abolition of duties on import of items like clothing, furniture, boots and hats to Newfoundland, and the increased purchasing power of the population caused by family allowances and old-age pension payments, may give our local industries a boost of sales volume. This increase, although most desirable, may not be very noticeable, as Canada's exports to Newfoundland are small, relative to total exports. On the other hand, as customs duties on goods from Canada represent a substantial portion of Newfoundland government revenues, this loss of proceeds may require new levies, thus reducing the purchasing power to previous levels.

* * *

GEORGE C. MURRAY, Editor, Advocate, Pictou, N.S.

Confederation is expected to increase trade between Newfoundland and Nova Scotia. Relief from tariffs which now deny Newfoundlanders many commodities should enable them to obtain their requirements at reasonable prices. During the war Newfoundland looked to Canada for supplies formerly purchased in England. Much of this business has continued, and should increase when Newfoundland becomes a province of Canada. Nova Scotia ports and exporters undoubtedly will benefit immediately. In years to come, development of Newfoundland and Labrador resources, especially iron ore, will react favorably in Nova Scotia. And a natural development would be modernization of the steel plants in Pictou county and Cape Breton. Should this take place, the ports of Pictou and Sydney would become increasingly busy and important.

JOHN M. MURPHY, Editor, The Daily News, Truro, N.S.

Truro's main industries are textile manufacturing, lumbering and farming. Textile manufacturers expect a greater market in Newfoundland for their products if the colony joins Canada. Duty on textiles now being shipped to Newfoundland is between 50% and 75%. This will be eliminated in the event of union. As Truro is the junction for railway freight to and from Newfoundland, via North Sydney, increased activity in freight handling is to be expected here, in the event of union. There will be no immediate effect on the sale of local agricultural products as Prince Edward Island has the Newfoundland market well covered now, aided by government-subsidized steamship service.

* * *

A. P. PATERSON, Saint John, Former Minister of Education, New Brunswick.

Business effect in New Brunswick of admitting Newfoundland will depend upon Ottawa's actions pertaining to interprovincial transportation and trade. If Canada does not show any more respect for the agreement it may make with Newfoundland, which should be pursuant to previous agreements, than it has shown for the 1866 interprovincial agreement and imperial and federal laws of 1867 which give effect to that agreement; nor for the agreement the Dominion made with Prince Edward Island in 1873, all of which pertain to transportation and trade, and if the Maritime provinces continue to submit to unjust, unconstitutional and apparently unlawful bureaucratic government in connection with the operation of the Intercolonial Railway and the national and international freight rate structures generally, Newfoundland no doubt will become another part of British North America to be exploited for the benefit of Montreal, Ontario and related interests, without any benefit to New Brunswick.

* * *

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How Can Small Companies Solve Problem Finding Source for Permanent Capital?

The basic financial problem of small companies is that of permanent capital rather than that of short-term credit, Trevor F. Moore stated in a paper on "The Problem of Providing Capital for Small Businesses" at the annual meeting of the Investment Dealers' Association of Canada.

Recommendations or suggestions concerning capital for small businesses given by Mr. Moore are:

(1) Commercial bank credit should not be considered as a source of permanent capital for business. It is not the proper function of bank credit.

(2) There may be room in Canada for such a corporation as Great Britain's Industrial & Commercial Finance Corp.—the capital of such corporations being subscribed by existing financial institutions, including investment dealer firms, investment trusts, insurance and trust companies and chartered banks.

(3) As a general rule, the machinery of the investment dealer industry cannot be expected to handle capital issues of small amounts — less than $100,000. Investment dealers are merchants of security. Small issues of securities have limited markets, afford considerable risk and are costly to the company in need of capital.

(4) Double taxation, i.e., taxing of corporate profits and of dividends in the investors' hands, should be abandoned, in favor of one tax—individual income tax. As a compromise and with a view to aiding small companies, we suggest that the first $25,000 of net profits of all corporations be exempt from taxation, and that the tax (if retained) be then on a graduated scale. Our association should join with other bodies in protesting this double taxation and making constructive suggestions.

(5) Permit corporations to carry forward losses to apply against subsequent earnings for a period of five years. This would be of considerable assistance to new small businesses which usually sustain losses for the first several years of their existence.

(6) Members of the investment industry should go out of their way, (a) to make their experience in judging business risks available to small companies, (b) to bring together the owner of the small business and individuals or management companies which may provide the needed capital.

Business Must Prove Value

"It is obvious that there is not in this country or any country a sure and ready source for this initial, venture capital," Mr. Moore said. "Further, we do not think that this country should provide a sure and ready source. The businessman with the good idea in the form of a new product—a new service—must back his idea up with his own capital—with sufficient enthusiasm to persuade his own friends to back him — with months, probably years, of personal effort to prove that his idea is practical and will in time reward his efforts and the capital already advanced.

"Isn't this typical of free enterprise? At that stage in the development of the idea when some indication can be given of its possible success, of the initiative and the resourcefulness of the management, of the amount of capital already supplied by the owner and his friends, the businessman, the owner will find his additional capital. At that stage, even if an underwriting—an issue of securities—cannot be marketed, the investment dealer will put the owner of that business in touch with friends, wealthy clients, who may be interested."

Underwriting of securities in a new venture may not be possible because of the risk involved, Mr. Moore points out. The investment dealer has two functions: (1) to provide the funds for industry, (2) to provide satisfactory investments for the investor.

Many investment firms, not the largest dealer organizations, but the small firms comprising two to four or five able investment men, will supply capital of $100,000 to $400,000, Mr. Moore states. During 1946-1947 at least 60 issues of securities were underwritten by investment dealers and involved amounts of $400,000 or less. The total of this smaller financing in these two years was over $17 millions. Some risk financing was included, he stated. This small financing will continue and the volume may well grow, but as in the case of the Industrial Development Bank the financing should be granted to sound industrial enterprises, Mr. Moore feels.

Effect of Double Taxation

Pointing out that capital for expansion has always come from three sources — company profits, banks or investors—Mr. Moore states "the need at present is for equity financing, stock investment." A combination of low interest rates and high corporation taxes has driven companies into senior financing where interest charges may be deducted from operating earnings before computing the corporate income tax.

Equity capital should come from the retained earnings of corporations or from the savings of individuals with incomes exceeding $10,000 a year, who may be able and willing to take a chance with their money. But it is these incomes that are heavily taxed.

"If the large or small business, in which you invest by buying common shares, loses money, you and your fellow shareholders suffer and no one else," Mr. Moore points out. If the business makes money, the Federal Government takes 30% of the net and in addition the Governments of Ontario and Quebec collect 7% with the remaining provinces collecting 5% on business done within their jurisdiction . . . if this business pays out a portion of its remaining profits (after corporate income tax) in dividends to shareholders—the Government taxes that . . . again, an extra 4% is added on investment income over $1,800 a year.

All of this surely means that few indeed will put money into new enterprises unless it is reasonably assured of profits at least 50% greater than would be required if there were no corporation income tax, Mr. Moore states.

Risk capital, venture capital, will be forthcoming—and in volume—when one of these two—the tax on corporate profits, or the tax on dividends received by individuals—is removed. If corporate profits were made non-taxable, it is obvious that there would have to be Dominion-Provincial agreements binding the provinces not to occupy the tax field given up by the Dominion Government.

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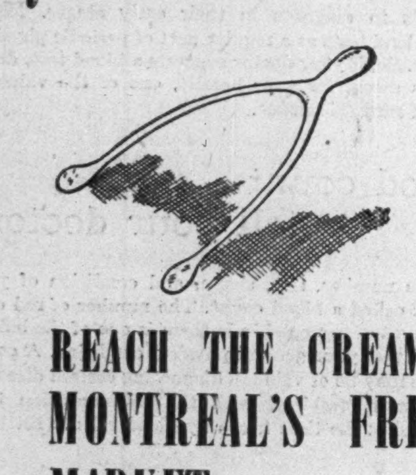

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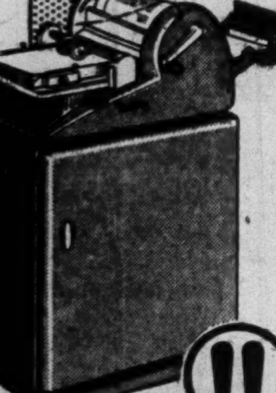

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What Delays Germany's Recovery?

An On-the-spot Report to The Post on Major Problem

The recovery problems of Germany are discussed by Murray R. Chipman, Montreal manager of the Maclean-Hunter Publishing Company Limited, in this article, the last in a series written for The Financial Post by Mr. Chipman on his recent tour of Europe.

By M. R. CHIPMAN

A visit to Germany leaves one with this predominant impression—the enormity of the internal problems growing out of the defeat and the immense importance to us of Germany's rehabilitation.

One has to see the bomb damage to comprehend how stupendous it was. I saw it first in Frankfurt. Speaking to a German lawyer I mentioned that his city had taken quite a beating. He replied, that I had seen nothing yet. Visits to Essen and Berlin proved his point. In Berlin, the main streets only are cleared. There is unbelievable damage.

"But you get used to living in such ruins," he said. "My children find it exciting to play in the rubble. I took my eight year old boy to Heidelberg last week. After we had walked around the unbombed town he startled me by saying—'But, daddy, where do the children play'."

We are busy at great cost, particularly to the United States, of trying to aid Germany's recovery. For three very good seasons. To get the load off our own back; to aid European recovery; to prevent the spread of Communism.

What It Is Costing Us

What is that cost? Take the Joint Export - Import Agency (JEIA), for example. This was established by an agreement between the U. S. and the U. K. December, 1946. The agreement provided that the cost of essential imports required "to prevent disease and unrest" should be shared equally between the two governments.

The U. K.'s part of the agreement hinged on the convertibility of sterling. This became an impossible burden and in August, 1947 the U. K. government was forced to abandon convertibility.

A new agreement was provided that the U.K's contribution during 1948 will be limited to providing goods and services from the sterling area to the value of £17.5 millions.

Uncle Sam's share for the calendar year 1948 will be at least $700 millions and may exceed $1 billion.

This does not take into consideration the cost of maintaining the occupation and administration forces in Germany. To it now can be added the expense of supplying the western sections of Berlin by air. In addition there are the $550 millions of Marshall aid.

No wonder I often heard the question from Americans, the British and Germans: "Will the American taxpayer get tired of paying?"

The most potent reason why he will not get tired lies in the alternative. A continued prostrate Germany menaces North American security because it would affect the whole of Europe and will be to Russia's advantage. Here the issue of Europe will be decided.

What Is Germany Doing?

How is Germany getting on in aiding its own recovery?

Let's take a look at the industrial recovery picture. Sir Cecil Weir, president, the Economic Sub - Commission in Berlin, showed me this progress report of the current provisional index of industrial production in Bi-zonal Germany.

Jan., 1946		April, 1948
26	Over-all	50
47	Coal	73
15	Textiles	48
27	Leather	40
73	Gas, Elect.	100
30	Chemicals	59
20	Pulp, Paper	37
29	Rubber	64
15	Vehicles	31
13	Iron, Steel	34

"I am hopeful," he said, "that with Marshall Aid providing over $200 million of imports into Germany in the first fiscal year ending June, 1949, that Bi-zonal industrial production might reach 70-75% of 1936 totals."

The Potsdam agreement left the Western Powers in bad balance as far as the German economy is concerned. The three Western zones—American, British and French—have had a big increase in population to over 45,390,000 and have less arable land. In the Russian zone there are 17,300,000 people in an area less than half the size of ours.

The Western zones formerly produced 86% of the steel, 80% of the coal, 61% of the total industrial production and 45% of the food in Germany. The Soviet zone on the same basis had 14% of the steel, 20% of the coal, 39% of the total industrial production, 55% of the food—including the territory under Polish occupation.

In our area the man-to-land ratio is bad. Even pre-war, with its old boundaries, Germany was a net importer of food.

The Currency Problem

It is difficult for us who live with a sound currency to realize what it is like to live in a country where simple commodities had a more stable accepted value than currency.

I was in Frankfurt the week-end when the new currency reform was announced. A friend came by train to Frankfurt to see me. He purchased his ticket with the old reichsmarks. But we had none of the new currency. His hotel bill I paid in chocolate bars, soap and cigarettes. The manager and manageress, the owners of the hotel, were tremendously excited by what seemed very little to me but was largess to them.

The new currency will have far-reaching effects on the German economy in the Western zones. In the first place it has provided an incentive for manufacturers to produce goods. A large supply of goods immediately came out of hoarding for consumer purchase. It provides an incentive for the individual German to work, to save, and to buy.

One marked effect is that of largely eliminating the black market. This will have a great impact on the morale of the German worker who resented seeing black marketeers wallow in luxury. The recently announced reduction in income tax by one third also helped in prompting the German will to work.

Evidence of the effect on prices of the new currency were given me thus. In 1939 bicycles sold 80 to 100 marks. Recent black market prices reached 3,000 marks. Today the price is 120 of the new Deutscher marks. Radios were 150 to 500 reichsmarks in 1939; 2,000 to 10,000 in the black market; 200 to 500 today. Men's suits ready made in 1939 80 to 100 reichsmarks; black market 3,000 to 4,000; today 100.

Another factor in Germany's slow industrial recovery and perhaps the most important, is food—or rather the lack of it. A German told me: "The basic ration of 1,560 calories per day exists only on paper. Actually it is around 800 to 900. For the last month our family has had no meat, no milk, no potatoes. The bread ration has been raised slightly to 12.5 grams per month and the sugar ration raised to 500 grams per person per month. We have had some rations of fish. Even though we live more or less in a farming community we have had no vegetables. The farmers have enough but they have become Germany's most hardboiled people. Soap we have got in meagre quantity, together with a strip of paper which has given me the possibility of getting a suit of clothes."

Here in North America we look upon 4,500 calories per person per day as a minimum.

The Ruhr Question

Coal control in the Ruhr is centred at Villa Huegel, the former family estate of the Krupps, near Essen. And quite a bungalow it turned out to be.

There is a huge entrance hall with family portraits around the walls. The dining room upstairs with its curved glass and metal roof was a fair imitation of Frankfurt Station. A formal French garden graced the front of the mansion.

The most recent occupant had been Dr. Gustav Krupp von Buhlen und Halbach. He was the husband of the eldest daughter of the original Frederik Krupp and was given special permission to add the Krupp to his name. He resigned from the chairmanship of the Krupp enterprises in 1942. His eldest son, Alfreid, born here, was recently on trial in Nuremberg.

Food is a key factor in coal production in the Ruhr. The miner is responding to the latest incentive program which gives him extra food incluuding fats and meat, plus extra clothing for himself and his family. The production target of 290,000 tons per day has since exceeded 300,000 tons.

But 400,000 tons per day is essential before Germany's industrial recovery program is full out. Why the lag?

Here is an American view of one very close to the production question. "The de-Nazification program," he said, "has gone to extremes and has touched the lives of a number of first-rate people because they had been listed as members of the Nazi party, which in many cases was a mere formality. As a result most of the smart boys in the mining industry who knew how to get coal production are not now available to us, including both workers and those of managerial levels."

He added that while Communists were in the minority, they had successfully wormed their way into works councils and were a factor in deterring production. He felt it was time the mines administration got tough with the Communists but this had not been done in part because of the Labour Government in Britain. (The head of the British Mine Workers Union in Britain is himself a Communist).

Communists Hamper Production

He mentioned the efforts made by the Communists to stop the incentive programs, whereby the Ruhr miners were given extra food parcels. The men themselves had voted to work on Sunday and the Communists had made a tremendous effort to stop them.

This man said that for sheer madness the current dismantling of industrial plants was tops. This is the reparations program in action and was approved to destroy those German industrial plants of war potential.

But the point which seared this man's soul was the fact that we were vitally concerned with Germany's industrial recovery, were spending millions to that end, yet we were spending time and money to destroy plants already in existence which could be used to build equipment which would improve production.

The decision is being left to the Germans as to the final form of ownership but there were among the Western allies wide differences of opinion. The British favored nationalization. The American view was exactly the contrary. The French were satisfied with any system which neutralized the war-making potential of the Ruhr area.

My American informant went on to say "We are also busy taking away the mines from the steel operators, whereas who could possibly envision a modern steel operation without mines as a part of it?"

How Vote Went In Saskatchewan And in Ontario

Official returns from last June's Ontario and Saskatchewan elections, show that in Ontario, the Progressive Conservatives polled 41.32% of the total vote, against 44.25% in 1945; in Saskatchewan, the CCF polled 47%, against 53% in 1944. Further analyses are:

ONTARIO, 1948

	Seats	Votes	Percentage of total vote	Percentage of total seats
Prog. Conserv.	53	727,414	41.32	58.8
CCF	21	465,834	26.46	23.3
Liberals	13	515,846	29.32	14.4
Labor Prog.	2	17,654	1.00	2.2

(Balance of the vote and seats went to independents).

SASKATCHEWAN, 1948

	Seats	Votes	Percentage of total vote	Percentage of total seats
CCF	31	236,917	47	59.6
Liberals	19	151,734	30.8	36.5
Social Credit	0	40,268	8	0

(Balance of the vote and seats went to independents).

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PHOENIX ASSURANCE CO. of London England, reports net premium income in 1947 at over $25.8 millions in its fire department, $36.0 millions in the accident department and $7.9 millions in the marine department, (all calculations at £1 equal to $4). At the annual meeting in London, Chairman R. Y. Sketch stated that 1947 the company's 166th year had been one of exceptional difficulties. There had been an abnormal increase in fire insurance premiums, accompanied by excessive fire damage, and enhanced claims for casualties. These conditions had necessitated substantial additions to reserves, a situation encountered in Canada and the United States as well as in the United Kingdom. The result has been an adverse balance on total underwriting accounts. It is expected, however, that when these heavy unearned premium reserves are run off and the reserves come back into revenue again, earned results for 1947 will be much better.

Fire losses amounted to over $13.8 millions, partly due to more fires and partly to higher prices of property and commodities. Automobile premiums and losses also were heavy. The Phoenix group in Canada in 1947 wrote total premiums of $5.1 millions with losses of $2.6 millions and a loss ratio of 51.41%.

INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT total income for fiscal year ended June 30, 1948, was $18,703,978. After deducting expenses ($11,557,848) and amounts for the Special Reserve ($3,051,478) net income was $4,094,652. This was sufficient to eliminate the deficit of $1,063,805 and to provide a net income of $3,030,847. During the year $1,276,003 of bond registration and issuance cost was charged directly to expenses.

Subscribed capital stock of the bank increased $261.5 millions as the result of subscription to 2,000 shares by Australia and 380 by Finland, and subscription to 6 additional shares by Paraguay, 133 additional by Egypt, and 96 additional by Iraq. Total subscribed capital stock at June 30, 1948 amounted to $8,286 millions.

Loans increased from $250 millions to $497 millions. In addition, the Bank approved loans to two corporations owned by the Chilean Government in the aggregate amount of $16 millions, to become effective when ratified and guaranteed by the Government of Chile. Including this, total loan commitments at June 30, 1948 were $513 millions, against which disbursements have been made approximating $470 millions. The equivalent of $2 millions was disbursed in Belgian francs and the equivalent of approximately $4 millions in Swiss francs. Disbursement of the loans to France and to the Netherlands has been completed. Denmark has available an unused loan balance of $23,551,741 and Luxembourg, $3,392,508.

In July 1947, the Bank sold to the public $100 millions of its 10-year 2¼% Bonds due July 15, 1957, and $150 millions of its 25-year 3% Bonds due July 15, 1972, both issues payable in U. S. dollars.

On June 1, 1948, the Bank sold 2½% Swiss franc serial bonds dated April 1, 1948 maturing in 1953 and 1954, in an aggregate principal amount of 17 millions francs (equivalent to $3,955,788) to the Bank for International Settlements, Basle, Switzerland at par and accrued interest. These francs were disbursed to the Netherlands as part of the loan of $195 millions to it.

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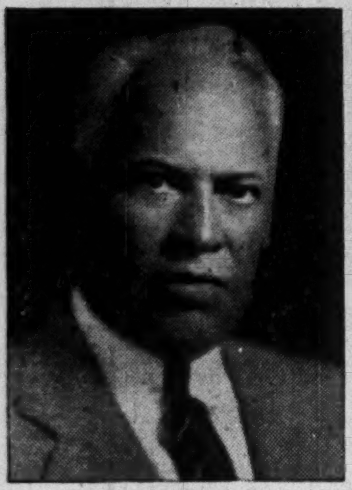

GEO. L. GILLETTE

Mr. A. T. Thom, President and General Manager, has announced the appointment of Mr. Geo. L. Gillette to the Board of Directors of The Waterloo Manufacturing Co. Limited, Waterloo, Ontario. Mr. Gillette is also Vice-President and General Sales Manager of the Minneapolis-Moline Power Implement Company, Minneapolis. *

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Will Liberal Platform Change Our Course?

Plank For Rail Rate Probe Eased Through Emptying Hall

OTTAWA (Staff)—Last week's Liberal convention may well have changed the course of Canadian economic history by its clearcut victory for a Royal Commission to overhaul the rail rate structure of the country.

Through a score of hours of bitter and determined debate, the premiers and Liberal representatives from the seven provinces fought the Government on this matter. They won an almost complete victory.

So much so that the Government dared not let the final resolution come before the meeting for approval or further discussion. The resolution was eased on to the floor a few minutes after the convention hall had been virtually emptied by the celebration of Mr. St. Laurent's personal victory.

At six o'clock on Saturday, the hall had been jammed with more than 4,000 persons. This was the hour at which the St. Laurent election had been announced. Half an hour later there were literally not more than two or three hundred people left. At once, chairman Gordon Fogo pounded his gavel and read out the contentious freight rates resolution. Within five minutes it had been approved, with no more than a handful of Liberals knowing what had happened.

What the Resolution Does

The resolution calls on the government to do two things:

"(1) The appointment of a Royal Commission to thoroughly review and investigate the whole Canadian transportation rate problem other than:

(a) the prescriptions contained in the proviso to subsection 5 of Section 325 of the Railway Act and in the Maritime Freight Rates Act, and

"(b) the application now pending before the Transport Board for a removal of the mountain differentials

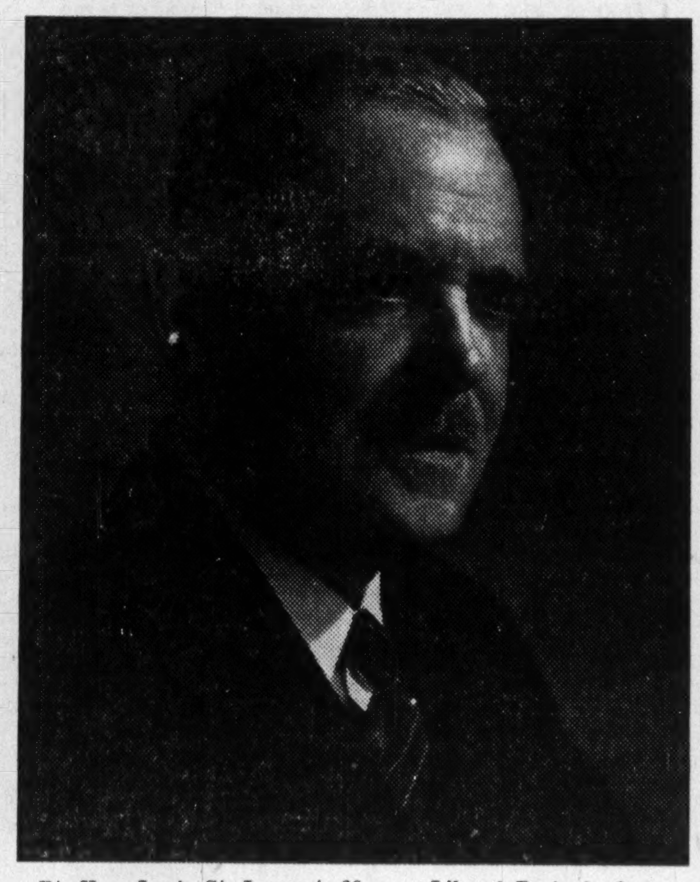
"in order among other things

"(i) to prepare recommendations for an improved uniform basic rate structure for Canada, and as to accounting problems in so far as they affect uniformity of accounts, and the segregation of railways assets from nonrailway assets and their incidence on fixed charges, dividends and other income.

"(ii) to consider and report upon the principles and finding of facts upon which the recent order of The Transport Board for a 21% increase in freight rates was based.

"(2) Consideration to be given to the reference to said Royal Commission of the question of investigating the extent, if any, to which the claims of Western Canada that subventions should be paid from the National Treasury to compensate for inequalities in the burden of transportation costs as between the four economic areas of Canada should be allowed.

"Such Royal Commission inter alia shall give consideration to the claims of Western Canada that a large expenditure of money has been made by the Government of Canada to build canals and other public works in central Canada to improve water transportation, thereby forcing competitive rates down in central Canada resulting in rates elsewhere having to be increased to provide necessary railway revenues; and also the further claim that national policy has caused trade to flow in uneconomic channels, whereby, for example, the trade of the prairies in large measure has had to pass over a large unproductive area, so far as freight revenues are concerned, between the prairies and central Canada, with a resulting extra freight rate burden on the prairies which extra burden should, in equity, be borne at least in part by the nation as a whole."



Rt. Hon. Louis St. Laurent, 66, new Liberal Party leader.

The Government's chief defense against being drawn into a new Royal Commission on freight rates was apparently that it had received an opinion from the Department of Justice that such a procedure was not possible under existing statutory authority.

(A reference to the Supreme Court on this point is now reported to have been made.)

Provincial authorities who fought and won their battle last week say they do not mind waiting until the next session of Parliament if new statutory authority is required. What they oppose is any further attempt to deal with this matter by an application before the Board of Transport Commissioners.

Leaders in the fight were Premiers Angus Macdonald and Garson of Nova Scotia and Manitoba and Walter Tucker, Liberal leader in Saskatchewan.

Other Resolutions

Highlights of other resolutions passed by the convention include:

Housing: "an adequate program in co-operation with the provinces and municipalities of low cost housing, subsidized if necessary by the Federal Government."

(Here again this resolution broke sharply with established government policy in that the Government has so far kept carefully away from supporting a federal subsidy program of this nature).

Dominion-Provincial Relations: a recommendation "that the proposals placed before the Dominion-provincial conference of 1945 and 1946 remain its objective and stands ready to support the implementation of these."

Coalition: "The Liberal party is unalterably opposed to any coalition between the Federal Liberal party and any other party whatsoever."

Employment and a High Standard of Living: The convention supported "reasonable profits as the best means to stimulate production"; "the minimum of interference and control by the state of the daily lives and occupations of the people."

There was "opposition to any system of over-all control of the economy" but approval "of intervention or assistance by the government when required to meet the needs of the people."

The party also states its support of:

"Private enterprise to maintain and increase production;

"Measures to combat arrangements which weaken competition, create monopolies, unjustly affect price or produce scarcities;

"Action by the state in those fields in which the public interest calls for public enterprise;

"A public investment program co-ordinated with provincial and municipal programs and timed to be increased or decreased to offset fluctuations in the national economy."

(A last-minute threat from the floor of the convention to include "selective price control" in the body of this resolution was referred to the Advisory Council of the party for further action.)

Immigration: "an extensive policy of selective immigration, particularly of displaced persons and relatives of Canadians, having regard to the capacity of the country to absorb immigrants without injury to a well-balanced economy or making a fundamental alteration in the character of our population."

Fiscal Policy: recognition that in view of increased debt and services of all kinds, it is "more than ever desirable that there should be the utmost economy in controlled government expenditures." The tax burden, it is resolved "should be as far as possible distributed equitably and in accordance with the capacity to pay."

Without any commitment on the Government's part to reduce taxes, the resolution then goes on to say: "In reducing taxes, first consideration should be given to easing the burden on the lowest income groups and to reduce those forms of taxation which interfere with freedom of trade, increase the cost of living, restrict incentive or otherwise discourage the expansion of employment."

This resolution then proceeds to commit the party to a belief "that fiscal policies should be designed to promote the expansion of national production and national income, with reasonable debt reduction and lower governmental expenditures in time of high employment and increased public investment and tax reduction when required to stimulate employment."

Social Security: The party says it stands for "a national program of social security in collaboration with federal and provincial governments with the following objectives: useful employment for all who are willing to work, standards of nutrition and housing adequate to ensure the health of the whole population; social insurance against privation resulting from unemployment, from disability, from ill health and from old age.

"The program will include a steady extension of insurance on a contributory basis to protect all citizens from a temporary loss of income and to provide for their old age; health insurance covering medical, dental, surgical and hospital health services on a contributory basis; more equal care and opportunity for all children through family allowances; and pensions for the blind."

Appeals to the Privy Council: It lists as one of a number of "reforms in the national interest" that "the Supreme Court of Canada should be the highest judicial authority for Canada."

Electoral Reform: The party skated round a commitment to adopt the single transferable vote and merely stated its position as standing "for electoral laws which will ensure the true representation of the Canadian people in Parliament; and in order to improve the procedure and reduce the cost of elections is in favor of the examination and review of the present Dominion Elections Act."

North Atlantic Pact: The party came out wholeheartedly for the policy enunciated originally by Rt. Hon. Louis St. Laurent as Secretary of State for External Affairs, namely, favoring "the association of Canada with the United Kingdom, the United States and the free countries of Europe in a North Atlantic security arrangement under the Charter of the United Nations."

Trade Policy: Platforms in this sphere include:

"The reduction and removal of world trade barriers;

"Continued arrangements to facilitate trade between countries of the British Commonwealth;

"Further reciprocal trade agreements with the United States and other countries and the earliest possible removal of emergency restrictions and export embargoes.

"Encouragement of energetic steps by private industry to develop export markets; support of exports in periods of need by export credits and insurance; expansion of the Trade Commissioner service and successful enterprises like the International Trade Fair."

Role of Women: Recommendation that "qualified women be appointed as early as possible to the Civil Service Commission, the Unemployment Insurance Commission and the Board of Pensions Commissioners." Also, that the Government be urged to amend the Civil Service Act so that persons over 35 with the proper qualifications be allowed to enter the permanent civil service. More adequate representation for women in the Senate is also urged.

Mackenzie King Houses: A recommendation from the National Federation of Liberal Women that in large cities throughout Canada, "meeting places be established to be known as Mackenzie King Houses, where students from the Universities, men and women of the professions, industrial workers, and persons of all classes would be welcomed, would enjoy themselves, would discuss their mutual problems, and would achieve much through such social and political assembly."

National Unity: The convention turned down a demand from the floor in favor of a Canadian national anthem.

An original resolution asking for "a distinctive Canadian flag" was not considered strong enough by youthful delegates. They urged an amendment calling for a distinctive flag "without either the Union Jack or the Fleur-de-lis."

The final compromise was a demand for "an exclusively Canadian flag."

Regular Conventions: The convention approved a resolution calling for a national convention every four years and the appointment of top-notch organizers and public relations officers.

Liberal Faith: A lengthy statement includes the words "Liberalism is diametrically opposed to Communism."

Labor Policy: On a motion from the floor the convention added the words "union security" to the official resolution on labor policy. As well it called for:

"The enactment of measures which experience with the new Labor Code may show to be necessary to promote collective bargaining, the settlement of disputes, and improve industrial relations;

"Maintaining conditions favorable to fair wages, vacations with pay, fair employment practices, security of labor, improved working conditions, full employment, all to the end that the worker may receive just treatment and a fair share of the revenue of production."

Agriculture and Fishing: This resolution included encouragement of "co-operative enterprises"; also "stability and security to agriculture as provided in the Marketing Prices Support Act" and the "reducing of the rate of interest on government-sponsored farm credit and increasing its availability."

Maritime Provinces: The convention approved a lengthy resolution of Maritime "rights" submitted by provincial delegates from those provinces.

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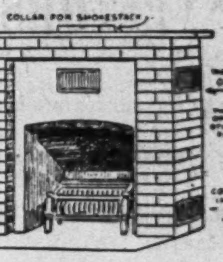

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LABOR ROUNDUP

Communist Issue Splits AFL-TLC 100,000 In Revolt Over Seamen

Once again the Communists had blunted their hammers and sickles trying to put a fast one over on the Canadian labor movement.

If the blow-up of the Ottawa labor conference had any meaning at all, it was that it's going to be a lot harder for the Reds to pull the wool over labor's eyes from now on.

The Communists had blundered before. They brought about their own downfall in the Canadian Congress of Labor last year. They've lost strike after strike.

Now, by their crude attempt to stage-manage the Trades and Labor Congress conference in Ottawa, merely to put the Liberal convention on the spot, they started the anti-Communist ball rolling in the TLC.

Now a full-scale battle is under way between the two factions.

Already about one-quarter of the TLC membership is lined up on the anti-Communist side. Never before has Canada's biggest and oldest labor body been split so wide open.

More and more AFL leaders are speaking out agaist what they call the "appeasement policy" of President Percy R. Bengough in his dealings with Communist-led TLC unions. The struggle will probably be settled next October in Victoria, B.C. at the annual TLC convention.

There was talk that Bengough would be faced with charges of playing with the Communists in violation of TLC and AFL policy. He would certainly be opposed for re-election.

• • •

98% Communists 2% Travellers

If there was any doubt remaining that the Canadian Seamen's Union was anything but a Communist front, every trace must have been removed last week.

At Ottawa, Frank Hall, railway union leader, led unions representing 100,000 members out of the special TLC conference on the shipping strike. He charged the conference was attended by 98% Communists and 2% fellow travellers. Others branded the meeting "a Red farce." The Canadian Congress of Labor, familiar with Communist tactics, gave it a wide berth.

Later, the Communists tried to stem the tide of anti-Communism by quoting un-named labor officials as saying that Hall had not spoken for them. (He was the spokesman for 18 railway brotherhoods during recent wage talks).

The Communists objective was clear: to discredit Hall by implying he did not have the support of the railway unions.

What support did he have? Out with him, among others, went two of the AFL's top organizers in Canada; John Noble and Russell Harvey.

What unions pulled out? Railway Shop Crafts; Brotherhood of Railway Carmen; Boilermakers and Iron Shipbuilders; AFL Electrical Workers; Maintenance of Way Employees; Hotel and Restaurant Union.

Altogether, they represent some 100,000 in the TLC. Total TLC membership is around 400,000.

Later Hall clarified what he had said when he quit the conference: ". . . our unions did not participate in the Ottawa meetings. The one called for the morning turned out to be a CSU-Communist rally . . .

"We withdrew before it started. We declined to attend the afternoon session called by President Bengough . . . because we knew it could not be sufficiently representative of the organizations who were entitled to be present, and we did not want to be identified with any program which might emerge . . .

"Our unions are out of sympathy with the position taken by the Congress on behalf of the CSU, which we feel to be contrary to the traditions and long-established policy of the Congress not to lend itself to political ends.

"We are not unmindful of the implications of the stand taken by the steamship companies toward the CSU, but feel that this is not the major issue at the moment and can be taken care of by the labor movement in due course. Whether the companies are altruistic or not in the position they have taken, is beside the point.

"However, we have in mind that the largest operator, Canadian Steamship Lines . . . has for many years had agreements with several standard and responsible unions."

• • •

Second Vote At Rogers

Another Communist blunder came back to haunt the Reds this week. A second vote was ordered at the Rogers Majestic Radio plant in suburban Toronto on the grounds that the CIO Communist-controlled Electrical Workers had violated the Ontario Labor Board's ruling banning propaganda during the 72-hour period preceding the first vote.

The UEW had already lost the tube division to the rival AFL Electrical Workers. In the main radio division, the AFL got the most votes but not the required over-all majority to oust the Red union as bargaining agent. A hearing on challenged votes resulted in the order for a new election.

This time it appeared certain that the UEW would lose out altogether. Yet if it hadn't railroaded a strike through, it would probably be still in the driver's seat. The violence which accompanied the strike alienated a majority of the employees who turned around and joined the AFL.

• • •

Continental Can Strike Settled

Striking CIO Steelworkers went back to their jobs at Continental Can plants in Toronto this week, their wages upped an average of 13c-14c an hour. Girls in the lowest brackets got as much as 20c an hour more; men, 18c. About 300 persons were affected. Still to be negotiated are union shop proposals and other matters.

• • •

Seeks to Prosecute Union, Strikers

At midweek, 2,500 employees of McKinnon Industries at St. Catharines, Ont., were still holding out for something like 26c an hour to bring their wages up to the levels of auto workers. The plant makes auto parts.

Latest developments in the three-week-old strike was the company move to apply to the Ontario Labor Relations Board for leave to prosecute the union and 10 strikers on charges of violating labor regulations. The company allege the union struck in violation of contract, and without going to conciliation.

• • •

Announcers Won't Talk Station Gives Bounce

Station CHRC in Quebec got a small dose of labor trouble last week, as program schedules were interrupted by the walk out of the six-man announcing staff.

The announcers decided to give station management the "silent" treatment in an effort to get a 50% increase in the basic pay of $12 weekly, better working hours and the right to organize.

The treatment didn't work; broadcasting was soon resumed under a replacement staff, with the strikers "no longer on the staff of CHRC."

• • •

B.C. Labor Trouble Piling Up

Members of the CCL Shipyard Workers' Federation, 4,000 strong, were just sitting down the other day to consider a management offer of 12½c hourly increase, plus a 25c-a-week increase for every point rise in the present cost of living index, when along came another union group, to confuse the issue further.

The International Longshoremen's Union (CIO) wanted 25c an hour more for its 3,000 members. With their entry into the picture, the prospects for a clear labor coast in the near future diminished considerably.

Elsewhere in B. C. there was one bright spot on the labor horizon: the CIO Steelworkers settled for 14c an hour with one of 19 firms negotiating.

• • •

CIO-AFL Fight In Saskatchewan

Will employees of the Saskatchewan Power Commission, now unionized under the AFL—Trades and Labor Congress of Canada, be brought under the CIO—Canadian Congress of Labor?

An application for bargaining rights for power commission employees has been filed with the Saskatchewan labor relations board by the CCL. Approximately 450 workers, now members of the Saskatchewan Civil Service association, an affiliate of the TLC, are affected.

The agreement with the civil service association expires Sept. 30.

The application was accompanied by the required 51% of the signatures of all power commission employees, as called for under the Trade Union Act.

Date for the hearing has been set for Aug. 13. It is expected an intervention will be made by the AFL Electrical Workers. This union has also been organizing power commission employees and is seeking bargaining rights.

The civil service association plans to oppose the application.

At present, 60% of all government employees—which takes in Crown corporations — are members of unions affiliated with the CCL.

• • •

Plumbers' Strike Threatens Building

Unless there is early settlement of a strike of plumbers in Greater Winnipeg, completion of two new city schools, a hospital, and at least about 200 new houses, will be held up indefinitely.

About 200 journeymen plumbers went on strike Aug. 4 for higher wages. They had been getting $1.35 an hour. This was also the rate set by the provincial government's Fair Wage Board. The schedules went into effect May 1.

Last February the union asked for an increase of 25c an hour. Failing to reach an agreement, a conciliation board was named to try and effect a settlement.

Three weeks ago the board unanimously recommended an increase of 10c an hour for journeymen but nothing for helpers.

The union rejected the recommendation. Since then employers and employees have had conferences with the Manitoba Labor Board but no settlement proposal has been acceptable.

CIL Ready to Build Vancouver Warehouse

Canadian Industries Ltd., announces plans for month-end start on building new $300,000 warehouse in Vancouver. General contract is let to Dominion Construction Co., for 1 story, 30,000 sq. ft. reinforced concrete building on Terminal Ave. site recently purchased. Completion is scheduled within about six months.

Industrial Growth

Parker Rustproof

Parker Rust-Proof Co. of Canada, R. A. Bindner, manager, to begin production at Windsor, Ont., of rustproofing and other chemicals. Recently bought and is altering existing plant at 568 Chatham St. E. May employ about 25 at first.

• • •

Fisher, Ludlow

Fisher & Ludlow (Canada), Toronto, President and General Manager James F. Sweeny, recently organized with Dominion charter is subsidiary of Fisher & Ludlow, Birmingham, Eng., world ranking metal fabricating organization. Now setting up equipment for final assembly operation in 9,000 sq. ft. of leased space in former Small Arms plant of Dominion Arsenals at suburban Long Branch; will specialize in contract sales of semi-finished steel products to other manufacturers and complete coverage of the materials handling field in industry. Heavy components will be imported from parent firm, machine work subcontracted locally. Quantity production is scheduled of prefabricated belt conveyors, steel box and rack storage systems, adjustable shelving, production tables and other F&L "Flow" materials handling equipment.

• • •

York Plastic

York Plastic Industries, Toronto, substantially increases capacity in recent move to leased space at 82 Chestnut St. According to Toronto Industrial Commission the new premises are now fully set up for York Plastic products including radio and aircraft parts, buttons, beads, costume jewelry, novelties.

• • •

Maleek

Maleek Ltd., Toronto, children's wear and accessories, builds new plant 220 Adelaide St. W., more than doubling manufacturing facilities at 3 Cumberland St. according to Toronto Industrial Commission. Architects Parrott, Tambling & Witner; contractor Foundation Co. of Ontario; one story and basement, 8,700 sq. ft., steel, concrete block and brick. Fall completion scheduled.

• • •

Eastern Power

Eastern Power Devices, Toronto, Walter J. Gilson, president and general manager will make for the first time in Canada the low tension switchgear products of I-T-E Circuit Breaker Co., Philadelphia, Toronto Industrial Commission reports. This production will be accommodated in a 10,000 sq. ft. addition under construction at Eastern Power's 23,000 sq. ft. Wabash Ave. plant into which it moved from Dufferin St. about two years ago. For many years has made wide range of high tension electric switching equipment.

• • •

Canadian Food

Canadian Food Products Willards Chocolates division, Toronto speeds final phases of plant alteration and machinery installation for early-October start on Canada's first production of top grade Swiss chocolate products by Suchard formulae and methods and in co-operation with the 15-months-old Suchard Canada Ltd. Expenditure by Canadian Food is put at over $500,000. Canadian Food's Suchard Canada is 14th affiliate of the 122-year-old Swiss group, Chocolat Suchard Societe Anonyme, Neuchatel, and Suchard Holding Societe Anonyme, Lausanne. Reporting the development, Toronto Industrial Commission lists special equipment being installed under direction of M. Amsler, a Swiss expert, including roasters, cracker, fanner, liquor mills, granite mixer, 5-roll refiners, melangeuses, automatic tempering machine, depositors, automatic wrapping machines.

• • •

Glass Guild

Stratford, Ont., reports Glass Guild's stamped and blown glass division planning immediate construction of new plant there to make lenses, crystal buttons and other glass products previously largely imported from Czechoslovakia. Key technicians will be brought from Europe.

• • •

Haines Ceramics

Haines Ceramics Ltd., St. Thomas, Ont., recently completed and now is operating $250,000 first unit of new pottery plant ultimately to represent investment of about $1¼ millions, according to original estimates by the designer, Haines Ceramic Engineering Co. Daily capacity now 12,000 to 15,000 pieces of dinnerware or other pottery. Body materials are prepared on dry mix system, ware spun on Allen semiautomatic jigger; both bisque and glost are fired in new electric counterflow kiln with 228 feet of tunnel space. President and general manager is William Haines; vice-president and secretary-treasurer J. A. McKee; a director and adviser D. J. Finlayson, Toronto; manager W. H. J. Haines.

• • •

Kelly, Douglas

Kelly, Douglas & Co., Vancouver, wholesale grocer and packer of tea, coffee, peanut butter, etc., recently completed and next month will occupy parts of big new warehouse and plant in suburban Burnaby. Manufacturing units are still under construction, so these departments are to be housed temporarily at 97 Water St., city, where Kelly, Douglas began business in 1896. Present location is 367 Water St., a nine-story warehouse and office recently sold to Robert Simpson Co., for mail order use (The Financial Post, Aug. 7).

• • •

Canada Dry

Canada Dry Ginger Ale Ltd., installs bottling equipment in leased temporary premises at 1235 West Georgia St., Vancouver. Construction of a new plant is contemplated on Kingsway at Earls Rd., Vancouver. This market until now supplied by Canada Dry from Edmonton plant. Vancouver hears the plant will be manged by W. R. Evans, now general manager at Edmonton.

• • •

Vanc. Breweries

Vancouver Breweries Ltd., recently occupied in part major additions begun last year to expand production and bottling of beer and ginger ale. Program of additions and improvements is estimated at $1.4 millions including equipment, new brewhouse and cellars, office unit, bottling shop and shipping warehouse. New equipment installed or scheduled is expected to increase brewhouse capacity to 350 barrels a day from 150 barrels. Recently built 4-story brewhouse and cellar add 40,000 sq. ft. of floor space.

Princess Field Drilling To Be Expanded Rapidly

CALGARY (Staff) — In the Princess area, midway between Calgary and the Alberta-Saskatchewan border, a broad program of drilling has been laid out by several operators. It appears that the highest level of drilling to date will soon be in effect, if necessary rigs can be secured.

A number of wells are already producing satisfactorily (in three sectors) and returns from production are sufficient to make further drilling very attractive, it is stated. Wells can be drilled for about $37,000 with a further cost of $6,000 to $8,000 to equip. Well costs are just about half those in Leduc. While the oil is of lower API gravity than that of Turner Valley and Leduc, it nevertheless is bringing $3.00 a barrel at the B. A. Oil Refinery in Calgary against $3.70 for Turner Valley crude and $3.45 a barrel for Leduc oil.

During June, the Pacific Petroleums No. 25P well recorded deliveries of $14,000 from approximately 4,800 bbls. of oil. Yield was comparable to that from a Leduc well. There is no conservation in effect in the Princess field.

The California-Standard Co., one of the area's leading operators, has, from drill stem tests, apparently just brought in a good well as an east offset to the No. 25p well.

Pacific Petroleums has a service rig on its 24p well nearby which it is hoped will be brought into production shortly. Company plans to start several wells as soon as a rig can be obtained Another co-operative organization has moved a rig in and is planning to drill a well.

H. S. Flock plans to drill a number of further wells on Federal acreage if negotiations for finances now being undertaken prove successful. Further drilling of wells is also understood to be planned by the California-Standard Co.

No immediate plans for drilling are reported for Princess Petroleums but other wells may result in the proving up of Princess Pete acreage.

Inter. Hydro-Electric Net Up Substantially

Total income of International Hydro-Electric System for the six months ended June 30, 1948, amounted to $1,281,336 against $909,920 for the corresponding period of 1947. In the 1948 period the System received dividends from Gatineau Power Co. of $730,257, $280,000 from Eastern New York Power Corp., $4,000 from Corinth Electric and $267,079 from New England Electric System.

After deducting operating expenses and all other charges, amount available for debenture interest of $557,928 was $1,206,883.

Net profit for the 1948 period was $648,955 ($21,090 in the 1947 period).

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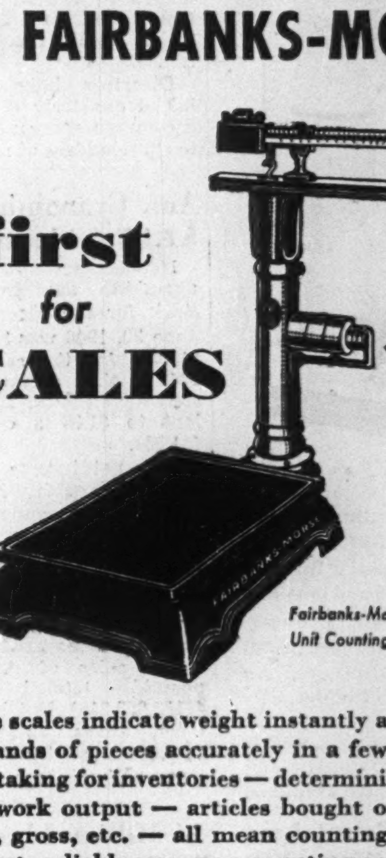
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WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Pocket Stove

Portable stove for campers can be carried in the pocket; burns gasoline or lighter fluid without the aid of a hand pump. Monel metal stove and grid fold into a compact, rattle-proof package. Tankful of fuel lasts an hour and a half, makers say.

* * *

Packaged Chimney

Weighing less than one tenth as much as a brick chimney, new chimney features use of aluminum sheet in construction of the box-shaped suspender support, the outer jacket of each section and the roof housing and the cap above the roof. It comes in sections, packaged and ready for installation in one- and two-story homes.

* * *

How About Thumbs?

Hammer with specially compounded plastic striking face can be used for a wide variety of work without danger of marring such easily damaged surfaces as aluminum and other soft metals, as well as highly polished woodwork, makers say. Hammer has drop-forged head to which plastic face is fastened, and retains driving power of standard machinist hammers of equal weight.

* * *

Crib-Play Pen

Designed for young travellers, combination crib and play pen weighs 37 lb., folds into 29 by 20 by 9 in., looks like and carries like a piece of luggage.

* * *

Eases Housecleaning

Neither skill nor a brush is needed to apply liquid plastic to renew surface of painted or varnished floors, linoleum, woodwork, window sills, cars, furniture, silverware and household fixtures and appliances. Makers say glossy, long-wearing finish which does not crack, craze or flake off is obtained by simply wiping the liquid on with a clean cloth. It's impervious, they add, to heat, cold, moisture, caustic soaps, alcohol, fruit juices and most chemicals, and the plastic-protected surfaces can be cleaned easily with a damp cloth. One gallon covers approximately 1,600 sq. ft.

* * *

Stops Record Slip

Friction disc affixed to record labels keeps warped records from slipping when stacked on automatic changers, Canadian distributors state. Discs are about 2¾ in. in diameter, with cutouts so that the record title can still be read. Adhesive coating on disc permits easy attachment.

* * *

One-coat Paint

New York manufacturer has developed highly opaque paint which, it is claimed, can be used for repainting houses white with one coat, without fear of original color showing through.

* * *

Thin Insulator

Noninflammable, paper-thin insulator for the electrical insulation field will be manufactured at a new plant built solely for its production in New Hampshire. The material is completely inorganic, has a solid structure, comes in long lengths in rolls or tapes. Special papermaking process produces material in thicknesses varying from 1.5-20 thousandths of an inch. Thinner sheets are for electrical wire insulation, thicker ones for layer insulation. Dielectric strength (ability to resist passage of disruptive charge of electricity) actually increases for a time as the temperature rises.

* * *

Flame Throwers

Postwar rehabilitation of deadly flamethrowers has included a variety of new uses, according to War Assets Corp. Among the new jobs are fighting forest fires, clearing lands and road rights of way; clearing brush and weeds, ridding coal cars of their frozen coverings in winter. Agricultural officials believe flame-throwers could be employed in clearing fields of heavy rock by heating the boulders and then dousing them with water, to crack them into easily removable pieces. Portable flame-throwers being disposed of are of the metal lifebuoy type with an annular tank. Fuel: light Diesel oil. Weight: 27 lb. plus 35 lb. of fuel.

* * *

Lowers Paint Costs

Designed for use by industrial establishments, institutions, railroads and shipyards, paint additive increases the volume and spread of paint and, in addition, keeps it from separating and settling, makers say. Noninflammable, odorless and water white in color, the additive can be mixed gallon for gallon with the paint, permitting material saving in costs. Product does not deteriorate when left standing, will not harm the skin.

* * *

Weather Recorder

Portable machine automatically records wind direction and velocities in remote, unmanned weather stations. Visits once a month are necessary to replace moving roll of paper, long enough for 800 hours' operation of the machine in a pinch. Device is slightly larger than infantryman's pack.

* * *

Waste Coke Saver

Pontiac Motor division in United States now collects the 10% of foundry coke previously lost as unscreenable coke "dust"; presses it into coke briquettes, cures it in high-pressure steam cylinders, and then feeds it to the foundry cupolas in proportions of from 10% to 30%, along with the regular coke.

* * *

Prevents Corrosion

Magnesium ribbon anode protects buried metal structures from corrosion by means of cathodic protection, is designed for use primarily in high resistivity soils where cast anodes may not be practical because of their low-current output under such conditions. New anodes contain core of iron wire to facilitate making permanent electrical connections and to prevent possible segregation. Anode ribbon is wound on reels, can be installed by using wire-laying plow and placing the ribbon in a furrow about two feet deep and two to ten feet from the structure to be protected. No chemical backfill is necessary and connections are made to such structures as pipelines about every 500-1,000 ft. where light current flows are expected; at shorter intervals if larger current flows are involved.

* * *

Weatherproof Finish

Designed for painting, preserving, protecting and decorating asbestos siding and shingles, recently developed finish is said to provide a lustrous waterproof coating of exceptional durability, resistant to atmospheric conditions. No priming is necessary. Available in three colors, one gallon covers 450 sq. ft. Primer, paint and sealer are embodied in the one product, ready-mixed for immediate use.

Shirriff's Ltd. Net Is Up 67%

Net earnings after taxes of Shirriff's Ltd. for the six months ended June 30, 1948 were $83,429—67% greater than for the same period in 1947, the company states. This represents $5.56 a share on the 15,000 outstanding preferred shares.

Net earnings for the whole year of 1947 amounted to $113,646.

The building expansion program undertaken by the company is well advanced and proceeding according to schedule, it states. The Church St. warehouse has been sold at a favorable figure but no capital gain is included in the above earnings.

Consol. Textile Earns About Same In 6 Mos.

Earnings of Consolidated Textile Mills Ltd. for the six months ended June 30 amounted to $203,232, after all charges including taxes, depreciation and bond interest but before preferred dividends, the company states. This figure compares with $202,946 for the full 1947 year and is equivalent to $3.90 on the common shares outstanding after providing for preferred dividends.

Working capital is up sharply at $483,583 from $335,000 at Dec. 31, 1947.

The company states that demand continues to excel present output which situation will be helped by the added production from the new Joliette plant, which should reach capacity by fall.

Directors have declared an initial quarterly dividend of 30c a common share payable Sept. 1 to shareholders of record Aug. 16.

Am. Cyanamid Earns $1.85 A Share In 6 Mos.

Net income of American Cyanamid Co. applicable to common stock for the six months ended June 30, 1948 was $5,071,699 ($4,315,857 for the same period in 1947), the company's interim statement shows. This is equivalent to $1.85 a common share ($1.58).

This net income does not include the equity in the undistributed net income of associated companies (49% or 50% owned). Including such equity, the net income applicable to common stock would be increased to $6,851,236 ($5,445,299), equivalent to $2.50 a common share ($1.99).

Net sales of American Cyanamid totaled $114,208,871 ($103,555,216). Net income before income taxes was $9,155,693 ($7,686,301); provision for income taxes $3.4 millions ($3 millions).

44 Million Lb. Sugar Wallaceburg Objective

From Our Own Correspondent

CHATHAM—Forty-four million lb. of processed cane sugar is the objective for 1948 operations at the Wallaceburg plant of Canada and Dominion Sugar Co.

Raw run at the plant opened recently and will employ 350 men. In addition to the sugar, 550 tons of blackstrap molasses will be turned out. A total of 21,000 tons of raw cane from Cuba will be processed.

Hunting Air Survey Companies Plan Conference In Toronto

The top executives of the world-wide Hunting Group of air survey companies will confer in Toronto beginning Aug. 16 to review postwar developments in their rapidly expanding field, and lay plans for the future, D. N. Kendall, Managing Director of Photographic Survey Co., the Canadian associated company, announces. This group has affiliated companies in England, Africa, New Zealand, Australia and Canada.

Heading the visitors is Percy Ll. Hunting, chairman of the board of directors for the Hunting Group, a business enterprise which embraces not only aviation interests, but also extensive shipping and oil holdings in various parts of the world.

Agenda for the conference includes discussions of latest research and developments in aerial photography, electronics and geophysics, as well as future trends in aircraft operation as applied to survey work. Ranking experts in each field will address the group.

Photographic Survey Co., with headquarters at De Havilland Airport, Toronto, has grown during the 2½ years of its existence to a point where it now employs about 250 people on aircrew duties, and in its laboratories and photo processing plant. It has a fleet of 14 machines, including a helicopter.

Shea's Winnipeg Brew. Expansion Completed

The plant expansion of Shea's Winnipeg Breweries Ltd., is now completed and the last of the equipment ordered, except the new bottling machine, is operating, The Financial Post understands. The last annual report stated that the bottling equipment was expected to be operating this autumn.

An indication that earnings are likely at least as good as last year is seen by analysts in the company's declaration of a bonus of 25 cents a share on the Class B stock payable, along with the regular semi-annual payment of 75 cents, both payable on Aug. 16 to shareholders of record July 31. A similar amount was paid in February and also in 1947.

Losing on Milk Distribution Calgary May Ask for Probe

From Our Own Correspondent

CALGARY—Calgary dairy companies took a loss of $10,021 on distribution of $2,668,427 worth of fluid milk last year, the civil milk inquiry commission was told by Harvey Morrison & Co., chartered accountants. Companies concerned were Union Milk Co., Co-operative Milk Co., Model Dairies, and Pallesen's Dairy.

As a result, the city may ask the Provincial Utilities Board to conduct an investigation into Alberta's milk industry, similar to that held in Ontario last year, at a cost of $54,000.

In the past year, with the price increased to 17 cents a quart, milk sales in Calgary dropped 700,000 quarts.

Prairie Rains Expand Hail Insurance Cover

From Our Own Correspondent

CALGARY — Recent rains over the prairies have brought increased business to the Alberta Hail Insurance Board here.

Earlier it had been expected that the 1948 business of the Hail Board would be less than two-thirds of the 1947 coverage, but recent rains resulted in a step-up in business and indications now are that at least three-quarters of last year's record total of hail insurance will be written.

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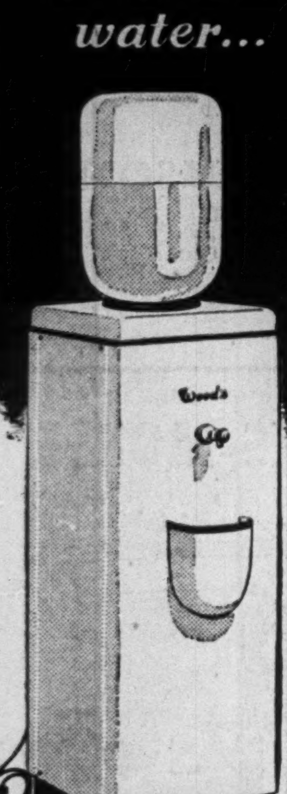

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Illustrated above is the Bottle-type cooler. Pressure-type and Bubbler-type are also available.

All are beautifully styled and designed to save space. Attractive sea-green color blends harmoniously with any surroundings.

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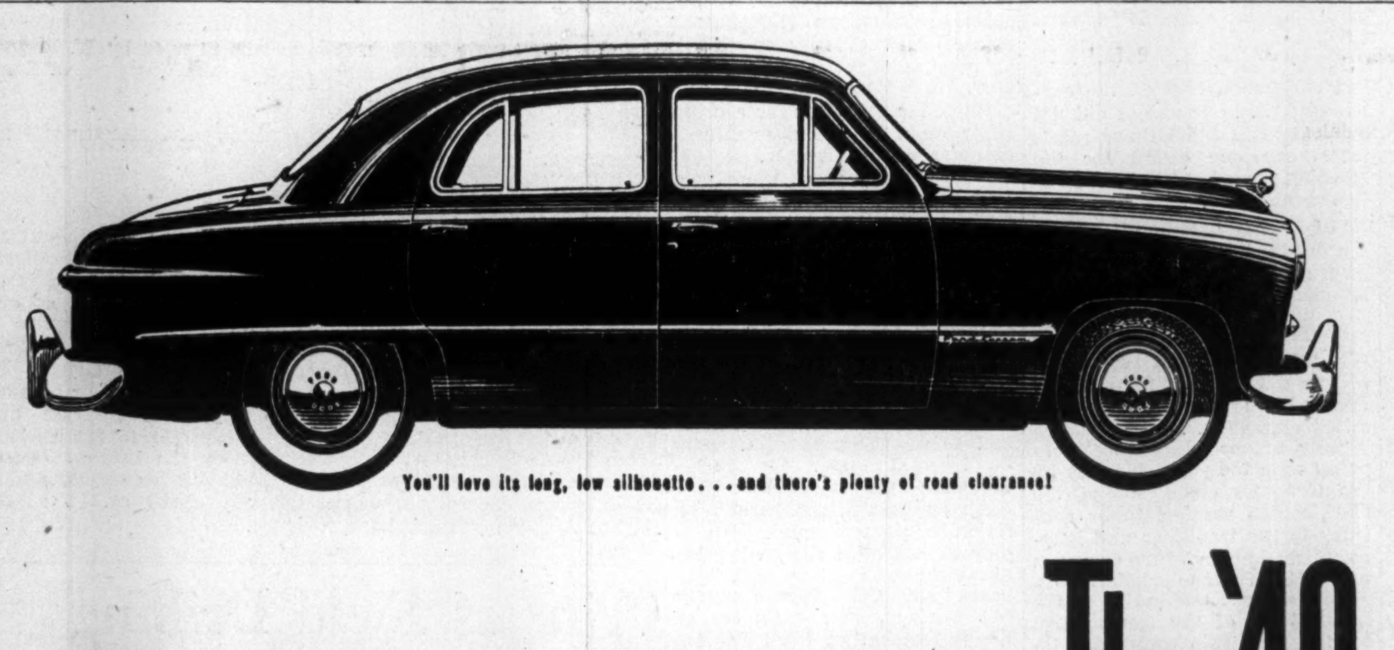
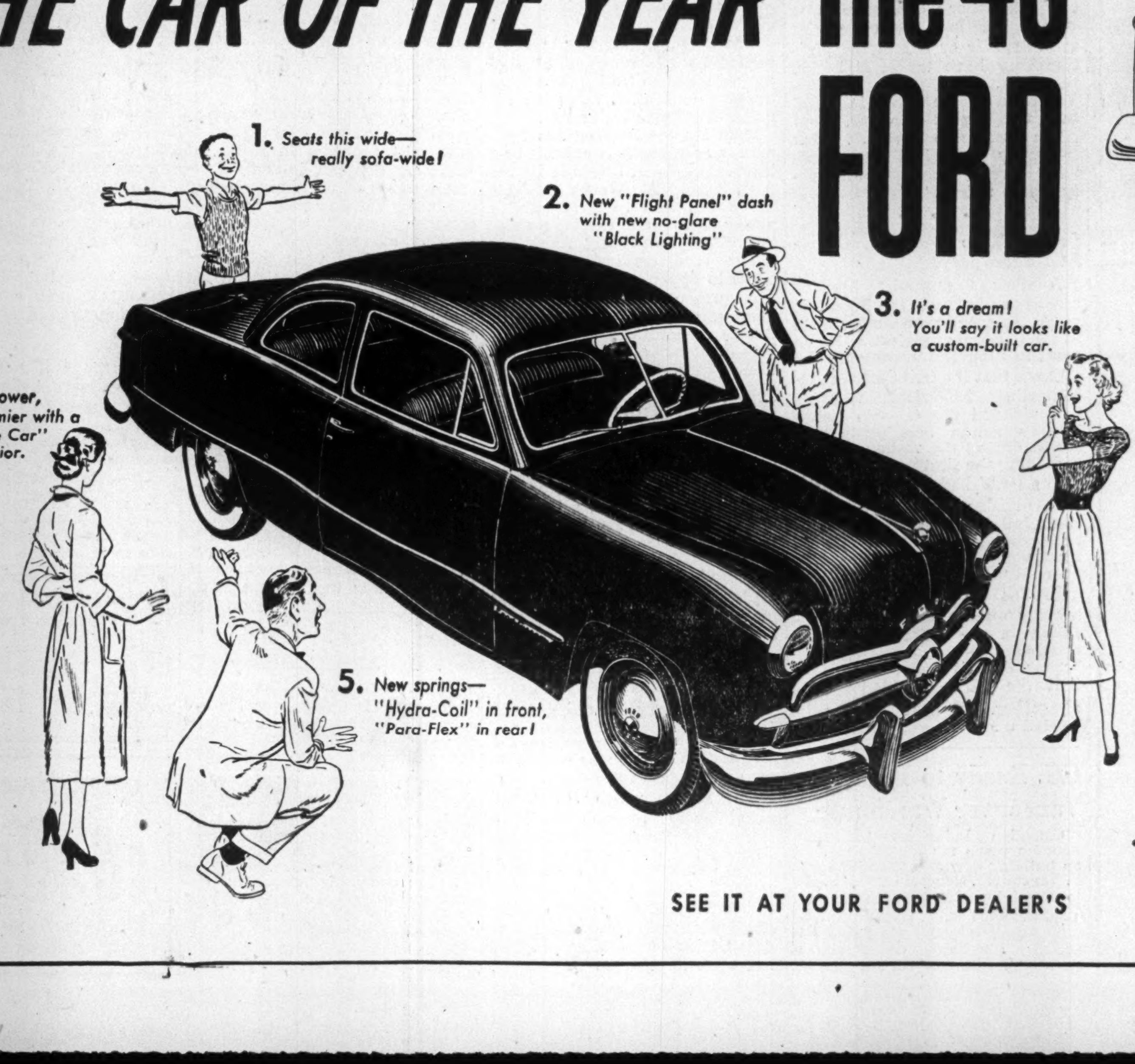


You'll love its long, low silhouette . . . and there's plenty of road clearance!

Distinctive Air Foil Grille—for the look of the year!

THE CAR OF THE YEAR The '49 FORD

The new "Deep Deck" Luggage Locker is 57% roomier!



If you haven't yet learned all about the Ford "Forty-Niner", make a beeline for your Ford Dealer's right now. The '49 Ford is completely new, from the ground up . . . with new "Magic Action" King-Size Brakes . . . "Picture Window" Visibility . . . 59% more rigid "Lifeguard" Body on new 5 cross-member box section frame . . . new 100-Hp. V-8 Engine, packed with "zip" and "go", featuring up to 10% saving in gasoline . . . new 57% roomier "Deep Deck" Luggage Locker . . . new "Hydra-Coil" Front Springs . . . new "Para-Flex" parallel Rear Springs . . . new "Mid Ship" Ride that cradles you between the wheels, where the going's smoothest. All these new features . . . and many more . . . with an overall new design, inside and out, that makes Ford "The Car of the Year"!

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The Financial Post

Vol. XLII | Member of Audit Bureau of Circulations | Publication Office: Toronto, August 14, 1948 | Fifteen Cents an Issue, Five Dollars a Year | No. 33

These Head Search For New Conservative Leader

In the hands of these voluntary party workers are local Ottawa arrangements for the coming Progressive Conservative Convention. Seated left to right: Don Morrow, MPP, secretary Ottawa Local Committee; Grattan O'Leary, chairman; Mrs. A. W. Merriam, Housing; A. C. Hill, finance. Standing left to right: Russell Boucher, MP, transportation; Redmond Code, entertainment; Lionel Choquette, reception; E. A. Band, halls; C. C. Gibson, reception; Gerald Geldert, housing.

Here is the full-time paid organizational executive staff. From left to right: Jane E. Denison, executive secretary; Geoffrey Hewelcke, press; R. A. Bell, National Director; C. V. Charters, director of public relations and Kathleen Kearns, executive assistant.

Here's How PC's Will Choose New Leader Convention Machinery Similar to Liberals

By RONALD WILLIAMS

The Progressive Conservative Party's search for a political Moses is on again.

In six weeks time, in Ottawa's Landsdowne Park Coliseum, they will resume the hunt which began 10 years ago.

In 1938, they picked the late Bob Manion to lead them out of the wilderness of defeat into which they had been plunged by depression.

In 1940, after getting themselves even more thoroughly lost in the political underbrush, they dropped Manion and for two years ambled behind the late R. B. Hanson as House Leader.

In 1942, a party caucus decided to let the Rt. Hon. Arthur Meighen take another crack at finding the way out. (He was leader 1921-26)

Meighen's personal defeat in the South York by-election dynamited that strategic plan and gave birth to the Port Hope conference.

Later in 1942 at Winnipeg, the Progressives won the day by electing the leader they are now about to replace—John Bracken.

Who Bracken's successor will be won't be known until late Saturday, Oct. 2, the third and final day of the Convention. But the mechanics of how he will be chosen have already been worked out.

Basically, they're the same as for previous Conservative conventions and not very different from the Liberal leaker-picking machinery.

Adding to the general similarity in rules and procedure is the when and where of the Conservative meeting:

The time: Sept. 30, Oct. 1-2.

The place: Ottawa's barnlike Coliseum in Lansdowne Park.

The similarity even extends to what they don't do. Like the Liberals they aren't given to American-type political histrionics. It will be a serious, sedate affair. But when it comes to electing their leader they provide more opportunities for speech-making.

One party official told The Post: "We expect our affair to be on a slightly higher plane," (than the Liberal, which was, in fact, enormously prim and sedate).

Where and how are the two conventions similar, dissimilar?

Delegates: Numerically there is a slight dissimilarity. But it is due solely to the redistribution of last session which increased the number of ridings from 245 to 255. The Liberals used the old figure. Result: 1,299 delegates, 840 alternates.

The PC's are using the new figure. Result: 1,313 delegates, 765 alternates.

Who will they be?

(a) All privy councillors who support the PC's (18).

(b) All PC senators (21).

(c) All PC MP's (67).

(d) All PC MPP's (100).

(e) All provincial party leaders.

(f) All party executive officers and chairmen of convention subcommittees (31).

Like the Liberals, all these are ex-officio delegates by reason of their position.

Next, Delegates-at-Large. These will include:

(a) As many delegates as there are federal ridings in every province. They will represent all sections of the community from labor to business and will be elected by provincial associations.

(b) Special Youth Delegates representing Young PC's of Canada on following basis: Ontario and Quebec, nine each (of whom four must be women); other provinces, three each (one must be a woman).

The Liberals give youth similar representation but in a slightly different way.

(c) University delegates consisting of officers of PC Student Federations and one from each University club.

This is much like the Liberal system.

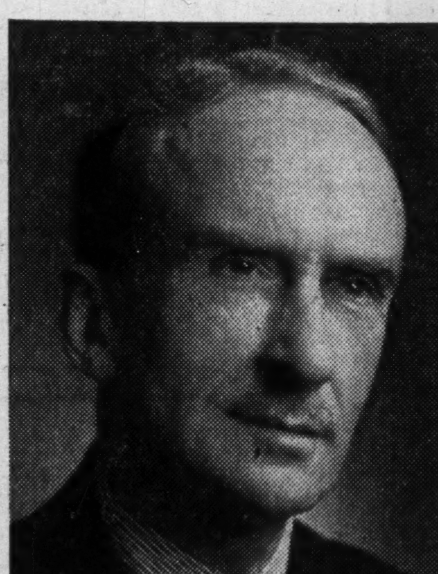
Then come the Riding delegates, the men and women who represent PC grass roots throughout the country. They will make up the biggest single group at the Convention.

Basis for representation: three with full voting rights and three alternates for every Federal riding. In ridings having two MP's six delegates and alternates.

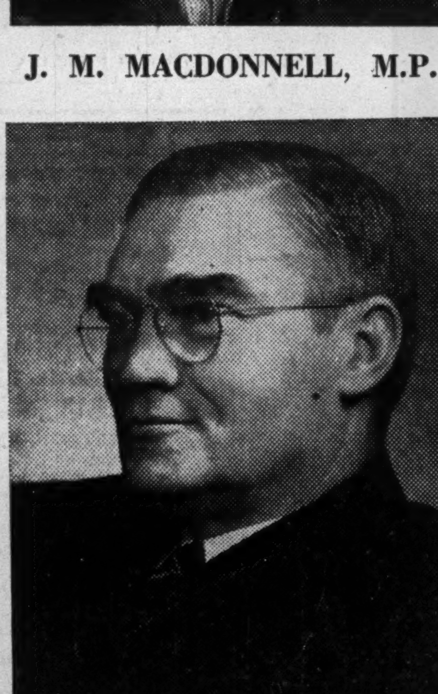
What representation will each province have?

Ontario and Quebec between them will have nearly 800 of the 1313 delegates. Quebec will have 322 but Ontario, as in the Liberal meeting, will have the balance of power with 465. If the Ontario and Quebec delegates see eye-to-eye on a candidate, he'll be the one to beat.

They will be chosen at meetings of PC



J. M. MACDONNELL, M.P.



F. G. GARDINER

Riding Associations much as Liberals chose their Riding delegates.

Here's the provincial line-up:

	Ex-Officio	At-Large	Riding	Total
P. E. I.	12	7	12	31
N. S.	7	17	39	63
N. B.	14	15	30	59
Que.	18	85	219	322
Ont.	119	97	249	465
Man.	26	20	48	94
Sask.	4	21	51	76
B. C.	26	23	54	103
Yukon	2	1	3	6
	237	311	765	1,313

It was on July 26 that 25 party executives gathered hastily in the nation's capital to deal with their Leader's resignation and lay plans for naming a successor. Because of the possibility of a snap election, they had to move fast. They had to do in two months what the Liberals did in six.

Thirty hours later, they had picked Ottawa as the convention site (after two votes eliminated Winnipeg and Montreal) and had advised all riding associations to have their delegates chosen by Sept. 4, at the latest.

To make sure that unauthorized persons do not get in, a full list of delegates and their credentials must be submitted to the Credentials Committee.

If they think someone is trying to crash the gate, they will have the power to bounce the offender out.

The Liberals took the same precautions. But that didn't prevent the Commnist controlled Seamen's Union getting its hands on at least one set of credentials.

It came to light when the union demonstrators tried to get into the Convention to present their strike case to the delegates. They were turned back. One demonstrator produced a set of credentials, but it didn't do him any good.

What's on the agenda?

The convention will open at 11 a.m. Wednesday, Sept. 30 to the skirl of bagpipes. There will be a procession into the main hall. There J. M. Macdonnell, president of the party association and chairman of the convention committee, will lead the delegates in the Lord's Prayer in English and French.

Then will come election of temporary chairman. This will likely be Grattan O'Leary, associate editor of the Ottawa Journal, and chairman of the local arrangements committee. He will also make the keynote speech, starting at 11.20 and ending ten minutes later—they hope.

At 11.50, retiring Leader John Bracken will deliver his swan song. At 12.30 key committees on Resolutions, (193 members), Nominations (14), Organization and Public Relations (73), and Credentials (14) will be struck.

Chairman of the important Resolutions and policy committee will probably be Toronto lawyer Fred G. Gardiner, also Reeve of Toronto's suburban Forest Hill Village. He has already taken over the work of the Platform Committee set up at the last annual meeting to shape party planks.

On this important platform-making committee Ontario and Quebec will rule the roost if they stick together. Between them they will have 112 of the 193 members, giving them a clear over-all majority to pretty well make the platform fit their specifications.

Thursday afternoon, permanent convention officers will be chosen.

President Macdonnell currently looks like the people's choice as convention chairman. A joint chairman representing Quebec will also be named.

Then the convention will strike off the various standing committees and adopt rules and procedure.

Friday will be devoted to consideration of resolutions, party platform and organization. Resolutions submitted for consideration must be in the hands of the committee before 6 p.m. Sept. 30.

After the Resolutions Committee (193 members compared with 110 for Liberals) has brought in its recommendations, which will be furnished delegates in printed form, movers of resolutions will be allowed 10 minutes to present his argument. All other speakers will be limited to five minutes and no one will be allowed to speak more than once on any resolution.

All questions will be determined by a simple majority. Except for the election of the leader, delegates will vote either by a show of hands or by standing.

Another dissimilarity which the PC's are emphasizing is no provision has been made for Provincial Caucus rooms. Provincial groups will get together, of course, but the PC executive has decided against anything which will encourage any tendency toward provincial blocks.

How and when will the leader be elected?

Deadline for nominations has been set at 6 p.m. Friday night. Each nomination must be in writing and must have the consent of the candidate.

This is similar to the Liberal practice, except the Liberals permitted nominations right up to 2 p.m. on Saturday.

On Friday night, the PC's will depart from Liberal procedure by staging a special night session to give candidates and their nominators a chance to state their cases. If there is any political whoopla this is when it will break loose.

But Saturday will be the big day. At about the same time as the Liberals, balloting will begin. The agenda calls for voting to begin at 1.45 p.m.

Delegates will use the same system as the Liberals. Each accredited delegate will have a book of ballots. After the first ballot, any candidate may withdraw.

To win, a candidate must have a clear majority over all others. If the convention decision is as clear cut as the Liberals the successor to John Bracken should be known before suppertime Saturday Oct. 2.

Here Are PC Convention Planners

To get their Convention machinery in shape by Sept. 30, Progressive Conservative master-minds have had to do what the Liberals spent six months doing. Following are brief biographical sketches of some of the key figures in the convention planning:

James MacKerras Macdonnell, president PC Association of Canada, and No. 1 man at the convention and in pre-convention planning. Has represented riding of Muskoka-Ontario (which has disappeared in redistribution) since 1945; is the party's chief financial critic and certain to be minister of finance if and when the PC's get in.

To enter public life, he gave up presidency of National Trust Co. Was one of the architects of the famed Port Hope movement. Tall, spare, was born at Kingston, Ont., graduated from Queen's University, Oxford and Osgoode Hall. Called to the bar in Ontario in 1911. Served in the first war with the 9th, 19th, 17th and 16th Batteries, CFA, ending up a Brigade major. Has one son, two daughters; lives in Toronto.

Richard Albert Bell, the party's national director, will likely be the convention choice as secretary. Is one of five on Convention Executive Committee on whose shoulders rest the main burden of getting convention under way. Born on dairy farm five miles from Ottawa, is a lawyer graduate Osgoode Hall, University of Toronto (B.A. honor in Law).

Became private secretary to Leader of the Opposition 1938, served under R. J. Manion, R. B. Hanson and Gordon Graydon. Was joint secretary 1942 convention, appointed national director 1943.

Arza Clair Casselman, M.P. for Grenville-Dundas, is another of top five PCs. Lives in Prescott, Ont., is 57 and of United Empire Loyalist stock. A lawyer, was educated at Morrisburg College, Osgoode Hall, Law Society of Upper Canada. Has two sons, served overseas during first war.

First elected to House of Commons in 1921, resigned seat in favor of Rt. Hon. Arthur Meighen. Re-elected 1925 and ever since. Is party whip.

Dr. William Gourlay Blair, M.P. for Ontario-Lanark is another of the top five PC "brass." One of the best-known doctors in Eastern Ontario, is 58; was first elected 1945; is chairman PC caucus committee on National Health and Welfare. Calls Perth, Ont., home where he is Medical Officer of Health. Served in first war, is graduate of Queen's University. Born near Fallbrook, Ont., has one son, one daughter.

Leon Methot is fifth member of top-level Executive Committee. Comes from Three Rivers, Que., where he is successful practicing lawyer, leading PC supporter. Is a vice-president PC Association of Canada.

Frederick Goldwin Gardiner, prominent Toronto lawyer, has been named chairman of interim Resolutions Committee, will likely be confirmed in this key post by convention. Reeve of Toronto's residential Forest Hill Village since 1938, is one of the powers behind the Ontario PC throne. Is 53, has one son, one daughter, is partner in law firm of Parkinson, Gardiner and Willis, president and director of a number of firms, president Toronto PC Business Men's Association, past vice-president Ontario PC Association. Graduate University of Toronto (B.A., 1917) Osgoode Hall gold medalist. Served with Air Force in first war; lives in Forest Hill Village; is United Church.

Ivan Sabourin, leader of the PC party in Quebec and likely choice as French-speaking convention co-chairman. Is 49, has been in politics since 1919. Founded Junior Conservative Association at McGill University; organized for PCs federally and provincially; was defeated as Bennett candidate 1930. Is 1st vice-president PC Association of Canada. Lives in Iberville, Que., on shores of Richelieu River. Is practicing lawyer and was Crown prosecutor Montreal 1936-39.

George Clyde Nowlan, chairman convention organization and Public Relations Committee. Born Havelock, N.S., 1898, graduated Dalhousie University 1922, admitted to Bar, Nova Scotia, 1922. Elected to Legislature 1925, re-elected 1928; deputy speaker, 1937-39. President N. S. PC Association, 1946-47; King's County Association, 1943-48. Presently member Board of Governors, Acadia University.

Grattan O'Leary, associate editor Ottawa Journal, chairman local arrangements committee and convention keynote speechmaker. Veteran Canadian newspaperman, beginning career with St. John Standard, joining Journal in 1911. Born at Gaspé, Que., of Irish descent.

Clarence V. Charters, probably one of the best-known weekly newspapermen in Canada, has been PC director of Public Relations since 1947. Was managing director Canadian Weekly Newspapers Association 1935-1946. Is president Charters Publishing Co. which his father, Sam Charters founded in 1919. Has two sons, lives in Brampton; has always been a Conservative.

Boucher G. Russell, MP for Ontario-Carleton since 1940, is chairman convention Transportation Committee. A lawyer, aged 49, son of Irish parents, graduate of University of Toronto, Osgoode Hall. Is married, lives in Ottawa; belongs to the Church of England.

Albert E. Honeywell, secretary PC Association since 1944. Is 34, a lawyer graduate of University of Toronto, Osgoode Hall and practiced in Ottawa before going on PC staff. Has two children, is United Church.

Donald Hugo Morrow, new PC. MPP for Carleton County, is secretary local arrangements committee. Born on Ontario farm, is 40, married, no children. By occupation, a teacher; was a principal of Ottawa's Broadview School. Still is principal of Churchill School. Former baseball pitcher and hockey player, served in Army and Air Force. Religion: Presbyterian.

Redmond Code, Ottawa barrister, chancellor, Anglican Diocese of Ottawa, is chairman entertainment subcommittee. Is president Ottawa West PC Association.

Lionel Choquette, another Ottawa lawyer, president Ottawa East PC Association, is joint-chairman reception subcommittee. Unsuccessful PC candidate Ottawa East 1935 election.

Mrs. A. W. Merriman, wife former private secretary to Conservative Leaders Borden, Meighen, Guthrie, Bennett; is chairman Housing Committee. Her job is to find suitable accommodation for 3,000 PC delegates and party supporters. Was president Carleton County PC Association.

A. C. Hill, Ottawa lawyer, senior partner in firm of Hill, Hill and Powell, chairman Finance subcommittee. Prominent Ottawa PC.

E. A. Band, chairman convention hall subcommittee, president Band & Cole, master plumbers. Is ex-alderman City of Ottawa; past president Ottawa West PC Association.

C. C. Gibson, another Ottawa lawyer, is joint chairman reception subcommittee, partner in firm, Honeywell, Baker, Gibson and Wotherspoon; president Ottawa West PC Association.

National Executive Roll Call

The top-level Progressive Conservative body is the National Executive of the PC Association of Canada. It consists of honorary members, executive officers and 29 Provincial representatives, giving a total of 43. Here's the roll call:

Hon. Pres: John Bracken.

Hon. vice-presidents: Gordon Graydon, MP Brampton; P. D. McArthur, Howick, Que.; M. A. MacPherson, Regina; Hon. W. J. P. MacMillan, MPP, Charlottetown, PEI; Madame A. Fortin, Montreal.

President: J. M. Macdonnell, Toronto.

1st. v-p: Ivan Sabourin, St. Johns, Que.

2nd v-p: Miss Hilda Hesson, Winnipeg.

3rd v-p: B. Roy Holman, Charlottetown.

4th v-p: E. D. Fulton, MP, Kamloops, BC.

5th v-p: A. D. Mackenzie, Toronto.

Secretary: Albert E. Honeywell, Ottawa.

Treasurer: F. E. Lennard, Dundas, Ont.

Provincial Representatives

Yukon: Hon. George Black, MP. and Mrs. George Black.

B.C.: Howard Green, MP.; Frederick Field, Mrs. A. S. Dennis, all from Vancouver.

Alberta: Col. D. S. Harkness, MP., Calgary; Mrs. D. J. Grier, MacLeod; John E. Sydie, Edmonton.

Saskatchewan: J. G. Diefenbaker, MP., Prince Albert; Rupert D. Ramsey, Saskatoon; Mrs. H. C. Smiley, Moose Jaw.

Manitoba: Col. J. A. Ross, MP., Melita; C. C. Miller, MP., Portage la Prarie; Mrs. B. W. Caldwell, Carberry.

Ontario: Park A. Manross, MP., London; Fred C. Cawthorne, Toronto; Mrs. D. Downing, Toronto.

Quebec: John T. Hackett, MP., Montreal; Leon Methot, Three Rivers; Mrs. R. G. Gillbride, Montreal.

New Brunswick: Col. A. J. Brooks, MP., Sussex; Mrs. Hugh Mackay, Rothesay; H. J. Flemming, MPP., Juniper.

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On Brokers' "Most Popular" Stock List:

Canadian Celanese Ltd.

"What stocks would you choose for security and capital appreciation over the next three years?"

That was the question which The Financial Post put to a group of leading Canadian brokerage and investment firms. In recent weeks The Post has published the lists they selected.

Here, The Post analyzes another of the 20 stocks which received the highest number of votes. Analysis does not, of course, mean that The Financial Post recommends the purchase or sale of any of these securities now or at some time in the future.

By JAMES H. JOYCE

Why did the common stock of Canadian Celanese Ltd. turn out to be one of the 20 "most popular" stocks to hold over the next three years in The Financial Post's recent poll of opinion in the investment community?

The reasons would seem to be as follows:

(1) Canadian Celanese Ltd. is a leader in the field of synthetic textiles owning the Canadian rights to the Dreyfus patents and processes for the manufacture of cellulose acetate and articles produced therefrom as synthetic yarns, fabrics, lacquers, varnishes, etc.

(2) There is a free interchange of research and ideas between Canadian Celanese Ltd. and Celanese Corp. of America and British Celanese Ltd.

(3) The bright prospect for rayon yarn and fabrics indicates a further growth potential. The use of rayon has been gaining in competition with the other textiles.

(4) Rayon's price enhances its competitive position in relation to other textiles.

(5) The aggressiveness of the company in promoting new uses.

(6) Its earnings record is good and sales and net profit show an upward trend.

(7) Its record of expansion of facilities indicates growth prospects.

(8) Its strong financial position.

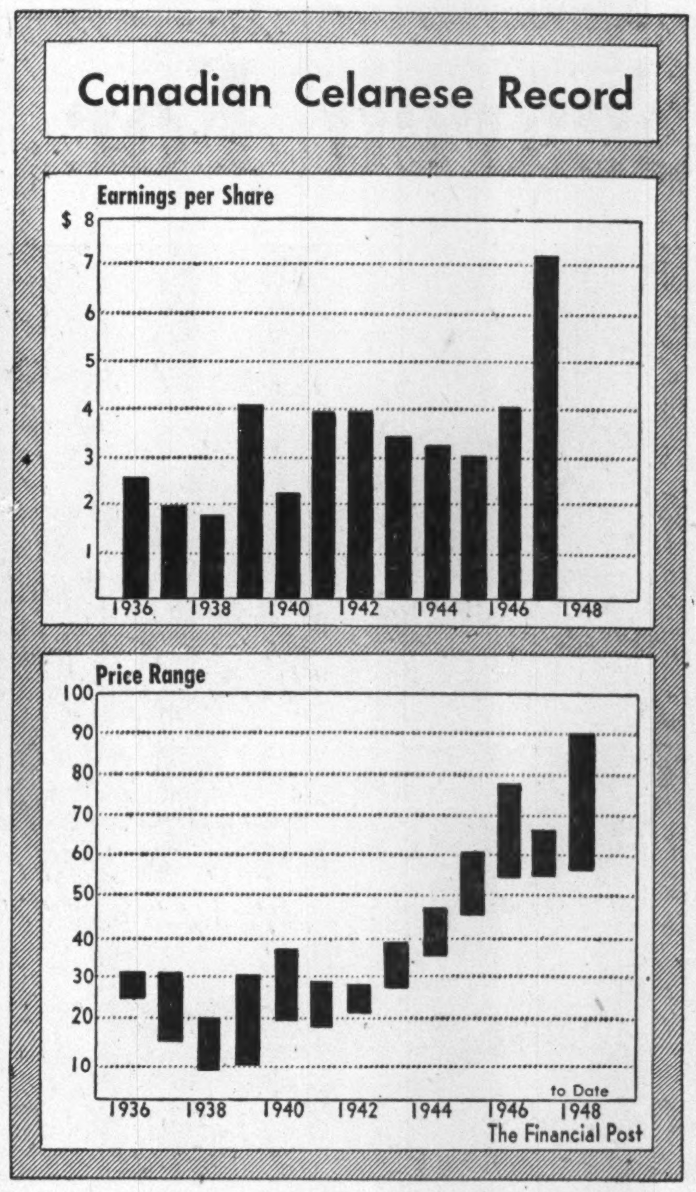
Canadian Celanese common is currently selling around $85 a share to yield about 3.53% on the basis of its $3 current annual dividend rate. At its recent prices, the stock is selling higher than in any previous year and it has a 1948 high of $90 a share. (Last December when the stock was shown, it was selling at $62 a share.)

DR. CAMILLE DREYFUS

president of Canadian Celanese Ltd., Chairman of Celanese Corp. of America and a director of British Celanese Ltd. A chemist, he pioneered in the production of cellulose acetate rayon yarn and has worked on its further development, as well as directing the merchandising of the Celanese product.

CHARLES W. PALMER

executive vice-president of Canadian Celanese Ltd. since 1946 and vice-president since 1930, has been with the Canadian Company since its formation in 1926. A research chemist, he joined British Celanese Ltd. in 1918.



Times-Earnings Ratio

At its current level, Canadian Celanese common is selling at 11.7 times its 1947 earnings of $7.25 a share. (In the United States, Celanese Corp. of America at $34 a share is currently selling around 8.9 times its 1947 earnings of $3.83 a share.) This is slightly less than an average times-earnings ratio and would seem to indicate the investors confidence that earnings can be maintained but the dividend might not be raised above its present $3 rate at the present time.

A record of the price range of the stock, the company's working capital position and an abbreviated income account showing earnings and dividends per share for the 12 fiscal years 1936-47 are shown in the accompanying table.

Total sales of $17.5 millions for 1947 were an all time high, 25.8% more than in the previous year ($13.9 millions). They are nearly double 1939 level of $8.8 millions, and are 2.3 times 1936 level of $7.6 millions. This growth trend in sales is one of the favorable factors for this company.

Sales for the quarter ended March 31, 1948, were $5.9 millions or about 36.8% higher than in the same 1947 period ($4.3 millions). This was a result of increased manufacturing capacity through new capital expenditures, Executive Vice-president C. W. Palmer has stated. It also reflected a reduction in inventories (see below).

Net Profit is Up

Net operating profit of $6.6 millions is up 44.8% from the figure of $4.6 millions, and is over 2 1/5 times the 1939 figure of $3 millions. It is over 3.1 times its 1936 figure of $2.1 millions.

Figures for operating income reported to the House of Commons Special Committee on Prices differ slightly from the above figures and are after deducting depreciation allowed by income tax authorities. They show that the ratio of operating income to sales was 32.7% in 1947 as against 27.5% in 1946 and as compared with 27.4% in 1939 and 21.8% in 1936. The average for the 12-year period was 29.8%,

The net profit of $3,025,462 for 1947 was at an all-time high — up 49.2% of the previous year ($2,027,381) and 51.4% from its 1939 level of $1,998,995. It is about double its 1936 level of $1,519,504.

The net profit for the first quarter of 1948 was about $1.2 million. If this were multiplied by four it would indicate a 1948 net profit of about $4.8 millions or over 58% above the 1947 net profit. But Mr. Palmer told the Prices Committee that it could not be taken as an indication of profit for the year and should not be multiplied by four. One special factor is that in this first quarter, Canadian Celanese reduced its inventory of finished fabrics by about one million yards which had a material effect in increasing sales and net profit, he explained.

Net profit to sales has shown an upward trend since the end of the war, being 17.3% in 1947 as against 14.6% in 1946 and 10.7% in 1945. It is still below its 1939 and 1936 levels of 22.7% and 19.9% respectively although for the first quarter of 1948 it had risen to about 20%.

The company's profit was criticized by the Prices Committee who stated in its report: "It appears that the profits remaining to Canadian Celanese Ltd. have increased unreasonably and it is hard to understand that this company is not ready to decrease their prices." The company had increased its prices about 3% on April 1, 1948 in the face of a wage raise of 14% granted in January, 1948, but it contended that its selling prices after this increase were substantially below the market price of competitive lines.

Mr. Palmer, when questioned by the Prices Committee on the ratio of operating income to sales, explained that Canadian Celanese was an integrated company with four definite manufacturing processes operated in series and each making a saleable product so that its percentage of operating income to sales naturally, would be much greater than in the case of a business doing one of the processes only.

The net profit of Canadian Celanese for the 12 years 1936-47 totals $20.7 millions, while dividends and payments on income funding rights total $17.1 millions or 82.6% of the net profits. This indicates the company has been paying out a large proportion of its earnings. For 1947, dividends paid equalled 53.9% of the net profits while common shareholders received 40% of the amount available to them (75.5% and 61% respectively in 1946). Earnings a common share averaged $3.46 for the 12 years shown. Canadian Celanese common at $85 a share is selling at about 24.5 times these average earnings—a relatively high ratio.

The Company's Outlook

What is the outlook for sales and for production?

Consumption of rayon fabrics has been increasing at a faster rate than any of the other textiles. In fact its public acceptance has grown so rapidly that demand has at times outrun production. Total Canadian consumption of woven and mixed rayon fabrics was estimated at some 100-million yards or 8.14 yards per capita in 1947 as compared with 5.74 million yards in 1939 or 5.08 yards per capita — up 75% in yardage and 60% in per capita use. In the same period, use of wool fabrics went up 36% and cotton fabrics up 25% on a per capita basis.

Canadian Celanese is the only company in Canada making rayon by the cellulose acetate process.

Two important factors in the increasing use of rayon yarns are:

(1) Its relative stability in price so that mills are not obliged to hedge their raw material positions against market fluctuation, to tie up capital in large inventories or to make future contracts on the commodity markets.

(2) As a synthetic material, it can be scientifically produced to specifications with controlled uniformity of size and length. This is said to result in appreciable economies for the yarn spinner, both as to reduction of waste and standardization of operation.

Comparative Prices

Of growing competitive performance also may be the relationship between cotton and wool and rayon prices. During and since the war the world price for cotton and wool has risen sharply while the price of rayon has only risen slightly. Currently 150 denier filament rayon yarn is quoted by Canadian Celanese at 89c a pound while the comparable cotton yarn is $1.07 a lb. In addition the spinning waste is reportedly less for rayon than for cotton.

Also important to the sales' outlook is the new development in the weaving industry to blending of textiles.

"Cellulose acetate yarn is recognized as the best "mixer" in the whole family of textile fibres," Celanese Corp. of America states in its 1947 annual report. "Cellulose acetate filament yarn and staple fibre combine admirably with viscose process yarn and fibre and with the natural fibres such as wool and cotton," it adds.

These factors, together with the research being done to improve quality and expand uses, all point towards a further growth in rayon consumption.

Canadian Celanese will have to meet the competition of the British and American companies. Regarding this, Mr. Palmer told the Prices Committee that: "The British company has been sending products into Canada steadily for years and years and now we are driving them out of the market because we are selling our product below their price. The American company sent some yarn into Canada during the war, particularly, but the tariff prevents them from competing and they are short of yarn." Foreign competition, however, is a factor which may have a bearing sometime in the future.

Expansion Program

From a production standpoint, Canadian Celanese outlook is bright. Postwar construction of new facilities include a new $3-$4 million plant at Sorel, Que., opened late in 1947 and expansion of the Drummondville plant and building a new staple plant there. This has placed the company in a position to supply not only its own requirements for acetate staple but also the entire demand of other Canadian mills. In addition new yarns and fabrics are being produced at Sorel which enlarge the range of products. Expansion is still proceeding and the company estimated last April that to complete its present pro-

(Continued on page 15)

Canadian Celanese Ltd.

(Years ending Dec. 31; thousands of dollars)

	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936
Total Sales*	17,522	13,923	12,932	12,795	12,261	12,116	11,240	8,045	8,809	7,771	8,074	7,628
Net profit from oper.†	6,631	4,580	4,816	4,858	5,028	5,052	4,419	2,742	2,983	2,104	2,234	2,121
Invest Inc.	150	179	204	134	147	107	111	110	89	88	86	134
Net earnings	6,624	4,643	4,906	4,853	5,049	5,023	4,393	2,730	2,930	2,062	2,230	2,172
Depreciation	713	610	594	644	512	508	485	435	420	405	387	353
Interest Chgs.	302	184	184	56	—	—	—	—	—	—	—	—
Amort. of patents etc.	12	13	13	14	68	68	67	66	66	65	64	—
Inventory reserve	17	8	13c	—	—	10c	66	—	—	—	—	—
Income Tax reserve	2,555	1,800	2,737‡	2,745‡	3,100‡	2,710‡	1,800	765	445	275	290	300
Net profit	3,025	2,027	1,390	1,394	1,369	1,747	1,975	1,464	1,999	1,317	1,489	1,520
Int. & s.f. on income rights	—	55	122	122	122	122	122	122	122	122	122	122
Pref. div'ds.	775	700	757	753	794	815	760	816	750	754	769	751
Common div'ds.	854	776	571	521	521	521	521	495	742	260	417	411
Surplus for year	1,397	496	60d	2d	69d	289	572	31	384	180	81x	235
Surplus formed	4,248	2,600	3,471	3,614	3,617	3,701	3,400	2,828	2,844	2,471	2,290	2,229
Refundable E.P.T.	—	—	371	371	447	225	—	—	—	—	—	—
Working Capital•	12,163	6,806	9,583	10,369	5,865	5,603	4,916	4,475	5,086	4,596	4,235	4,028
Excess of m.v. of Invests over b.v.	1,004	855	1,160	635	533	343	194	294	159	10d	181d	110
Common Stock ($):												
Earned▲	—	—	1.83	1.98*	1.89*	3.19*	—	—	—	—	—	—
Earned■	7.25	4.10	3.02	3.26*	3.43*	3.97*	3.98*	2.23*	4.07*	1.71*	1.97*	2.54*
Paid	2.75	2.50	2.00	2.00	2.00	2.00	2.00	1.90	2.85	1.00	1.60	1.60
Common Stock Price R. $:												
High	67¾	78	61	47	39½	28¼	29	37⅝	30½	20	31	31¼
Low	55	54½	45½	35⅜	27½	21¾	18¾	20	10⅛	9	15¾	25

*Taken from minutes of House of Commons' Special Committee on Prices. (c) Credit. (d) Deficit.
†Before directors fees, executive salaries, legal fees.
‡Includes refundable portion of excess profits tax transferred to special surplus.
(x) After transfer of $100,000 to special reserve.
•Investments included in current assets at book value.
(d) B.V. in excess of m.v.
▲Excluding (■Including) refundable portion of excess profits tax.
*Based on net profit less current preferred dividend and amount due on income funding rights and, in addition, 10% of the surplus subject to the payment of the preferred participating dividend.
1948 Range has been: High $90; Low $56⅝.

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INCOME TAX

Gives Wife Securities

My income is made up partly of salary I earn and partly income from investments which I inherited from my father. The total income from these investments is less than $750. If I give them to my wife she would have no tax to pay and it would reduce my tax considerably. Would this be permissible?

No. If you give your wife such securities, the income from them would still be considered your income and taxable in your hands..

INVESTMENTS

Pacific Oil & Refinery

Could you supply me with information on Pacific Oil & Refinery Ltd? Is the company planning to become active again?

Pacific Oil & Refinery held acreage in Twin River, Del Bonita and Taber areas of southern Alberta, but since early this year has been inactive and considering plans of reorganization. Company solicitor advises that negotiations have not proceeded to the point where information can be made available.

Pacific Oil formerly held controlling interest in Pacific Oil & Refinery of Alberta, but latter company went into bankruptcy in 1946 Approximately 2,299,105 shares of the authorized three million npv shares were outstanding at last report.

Columbia Cellulose

I am considering buying the 5% general mortgage bonds of Columbia Cellulose Co. which yield over 5%. Would you consider it a sound investment?

In buying bonds of Columbia Cellulose, you would be buying securities of an entirely new company. It is not yet operating, and has not even its mill built yet. Under such circumstances, you must realize you are taking a certain risk—a fact that is indicated by the return obtainable from the bonds.

From the prospectus (The Financial Post, July 17) you will notice that the company has estimated what it can earn under certain conditions. This estimate indicates an amount available for bond interest after depreciation, but before taxes on incocme of $3,819,200 a year, which is equivalent to more than four times the combined maximum annual interest charges of $875,000 on the first mortgage bonds and general mortgage bonds.

The company is also protected by having a firm contract with the parent company, Celanese Corp. of America for sale of its total production of 200 tons a day. At the minimum price shown under this contract the company would still have about $1.7 millions available for payment of bond interest, which would indicate a fair margin.

On the other hand, it is well to recognize that these figures are all based on estimates. Estimates of the cost of construction of plants in many cases recently have proved substantially under the final cost of plant, a fact which has embarrassed some companies. It is also possible that estimates of the cost of production may prove low should wages and prices continue to rise. We do not know how much allowance has been made for this.

Celanese Corp. of America has not only contracted to take the new company's production but is also subscribing $12.5 millions for preferred and common shares—a fact which indicates its management has confidence in the outlook for the Columbia Cellulose. It has also agreed to provide additional capital, if required, for completion of the plant, up to $7.5 millions.

The aforementioned are all factors which you should bear in mind in coming to a decision.

Quebec Manganese

What is Quebec Manganese doing at present? Is the company still getting funds for its operations?

Quebec Manganese Mines has decided to sink a shaft to 100 ft. from the bottom of its open pit and a total 500 ft. of lateral work is proposed after shaft sinking is completed. It is also planned to send out bulk samples in order that a proper flow sheet may be established for the property.

A change in operating management has occurred recently, with M. J. O'Shaughnessy replacing Mr. Storer.

Obviously, the property has not lived up to some of the early expectations, but efforts are being continued to establish profitable production. Not long ago the financial sponsors took up some further shares at 42 cents a share, we note. A total of 300,000 shares of pooled stock was recently released, and this fact may tend to depress the market for the company's shares.

Canadian Celanese Ltd.

(Continued from page 14)

jects a further expenditure of some $3 millions would be made.

A breakdown of the company's sales dollar, as reported to the Prices Committee shows as follows:

Components of cost	Ave. 1936-39 $	Ave. 1942-47 $	1st Qu. 1948 $
Raw materials	0.213	0.160	0.137
Labor	0.315	0.315	0.340
Overhead	0.243	0.201	0.194
Operating income (x)	0.229	0.324	0.329
Total	1.00	1.00	1.00

(x, Before taxes and financial charges.

It would appear that through improvements in efficiency and use of additional capital for machines and equipment, together with good volume of production, the percentage of the sales dollar left as operating income has been increasing. Labor costs have also been increasing.

Of the raw materials, purified cellulose is bought largely from the United States and costs about $1 million a year or about 6% of the sales dollar. This is treated with the "expensive" chemicals—acetic acid and acetate anhydride — made at Shawinigan.

Property Valuation

Reflecting its expansion expenditures, Canadian Celanese real estate, plant, machinery and equipment, at cost, of $22,156,397 at Dec. 31, 1947, was up $6,286,856 or 39.6% from its Dec. 31, 1945 figure of $15,869,541, and nearly double its Dec. 31, 1939, level of $11,731,674. Commitments not reflected in the balance sheet, totaled about $2.1 millions at Dec. 31, 1947. Reserve for depreciation amounted to $7,275,843 or 32.8% of the cost of fixed assets at Dec. 31, 1947, as compared with $6,032,392 or 38.0% at Dec. 31, 1945, and with $3,207,384 or 27.3% at Dec. 31, 1939.

Patents and trade marks were carried at $1,054,302 at Dec. 31, 1947 ($986,370 in 1939). Against this there was a reserve of $808,089 or 76.6% ($287,492 or 29.1% in 1939).

The working capital position was strong. Current assets totaled $14,558,324 (taking investments with a market value of about $6,398,000 at their book value of $5,393,600); current liabilities totaled $2,395,409 to leave working capital of $12,162,915. Inventories, at the lower of cost or market, amounted to $3,237,697 or 22.2% of current assets, equal to about 18.4% of 1947 dollar sales.

Capitalization at Dec. 31, 1947, consisted of $1.6 millions of 2¼% serial debentures due April 1, 1949 to 1952 $400,000 annually (after deduction of the April 1, 1948, maturity); $8 million 3% debentures due April 1, 1962; 400,000 preferred shares, $1.75 series, par $25; 100,000 preferred shares, $1 series, par $25 and 310,409 no-par-value common shares which were carried at $1,219,045. Distributable surplus was $62,500; special surplus, being the refundable portion of the E.P.T. not due within 12 months was $1,166,175, and earned surplus was $4,247,622.

There are no inter-shares held with British Celanese or Celanese Corp. of America, Mr. Palmer stated to the Prices Committee. Some of the members of their boards are also members of the Candian Celanese board which is the only connection, he said.

Company Officers

Canadian Celanese chief executives are: G. H. Whigham, London, Eng., chairman of board; Dr. Camille Dreyfus, New York, pres.; C. W. Palmer, exec. vice-pres.; W. Ashworth, vice-pres. i/c sales; R. O. Gilbert, sec.; A. G. Allan, treas; of Montreal. Directors are the first three mentioned and Brig-Gen. Sir William Alexander, London, Eng., W. Mc Cameron, A. Schwartz, H. Blancke, New York; P. A. Thomson, H. W. Jackson, Ernest W. Mockridge, Montreal; Joseph Simard, Sorel, Que.; Rt. Hon. Arthur Meighen, Toronto.

Canadian Celanese is a vertical and integrated company which owns the Canadian rights to the Dreyfus patents and processes covering the manufacture of cellulose acetate, and articles produced therefrom, such as synthetic yarn, lacquers, varnishes and numerous other products. Some of these patents are of chemical nature, others mechanical, others apply to dyestuffs and dyeing and finishing methods for production of cellulose acetate artificial silk.

The company's principal business is the manufacture of synthetic yarns and fabrics, having cellulose acetate as their base, which are marketed under the registered trademark "Celanese." Celanese fabrics simulate voiles, satins, moires, crêpes, wool, etc.

Other brands include "Fortisan" a new strong yarn, and "Celawol," an artificial wool made from blending celanese and wool. The company also produces staple fibre and some chemicals.

The company also manufactures hosiery.

The company owns approximately 265 acres at Drummondville, Que., where one plant is located. The factory buildings have a floor space of approximately 800,000 sq. ft. The company also owns staff houses located on this property.

A new plant at Sorel, Que., opened late in 1947, has over 170,000 sq. ft. of floor space. The plant manufactures fabrics and yarn made from acetate staple produced at the Drummondville plant. A type of material of wool-like nature is produced for use in suitings, shirtings and upholstery.

Plants at Drummondville and Sorel have a total of approximately 5,000 employees.

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Johnson-Turner Firm Opens Chatham Branch

Johnson-Turner Electric Repair & Engineering Co., Windsor, President Robert B. Turner has opened a branch service depot and office in Chatham, Ont., the Chatham Industrial Bureau, William M. Gray, Commissioner, announces.

BathtubOutput Is Still Rising

Supply of a few building materials, for the first time since war's end now exceeds demand, Ottawa's Central Mortgage & Housing Corp. reports in its quarterly review of housebuilding conditions. The report covers materials production, over-all building cost, construction industry employment and Canadian mortgage loans in the first quarter.

Production of only four items was below levels of a year ago — rockwool batts down 28%, asphalt rolls 22%, warm air furnaces 5%, asphalt shingles 1%. Twelve showed output gains over 20%—including electrical outlet boxes, single pole switches and duplex receptacles, vitrified sewer pipe, bathtubs, hot water storage tanks, cast iron soilpipe, steel pipe, cement, builders' hardware and gypsum wallboard. Twelve others with lesser gains were gypsum lath, electric hot water tank heaters, washbasins, nonmetallic sheathed cable, gypsum plaster, flue linings, wood fibre insulating board, sinks, domestic heating boilers, wire nails, brick and cast iron radiators.

Costs Easing?

Combined prices of labor and materials in housebuilding eased slightly, the review asserts ". . . reflecting a 1.6% decline in the composite index of building material wholesale prices, partly offset by rise of 0.8% in average hourly wage rates paid to on-site building workers." (The big wage rise came in the second quarter, The Financial Post, May 8.) "It's not expected this will be reflected in first quarter cost reductions on the site since the index of materials and labor doesn't take into account builders' profit, waiting delays or labor efficiency."

Mortgage loans on real estate reported by 122 lending institutions making monthly returns — and who write about 95% of the business in Canada — numbered 9,599 with a total loan value of $64.4 millions, against 7,421 and $46.7 millions a year ago. Loans on new nonfarm residential building numbered 4,084 for 5,454 new housing units, up 34% from a year ago, and with a total loan value of $23.7 millions, up 53% from a year ago.

Aussie Plants Buy Machinery From B. C. Firm

From Our Own Correspondent

VANCOUVER — Second large Australian contract for mill machinery has been awarded to Sumner Canadian Iron Works here by Australian Newsprint Mills, only producers of newsprint in Australia. The contract, now covering $100,000 worth of machinery, and likely to be increased, was awarded after a recent visit of S. L. Kessell, managing director of the company. Sumners is already working on a $350,000 contract for similar machinery for Associated Pulp & Paper Mills of Burnie, Tasmania.

The machinery, which includes log kickers, log stop and loader, Simondson Log Turner, Lueth Skid Lifts, complete air-operated log carriage, 10-ft. bandmill, cant lowering device, edger and parts, saw-filing equipment and other essentials, will go to the company's mill at Boyer, Tasmania, where a large modernization program is now under way.

Use of Canadian machinery is thought to be brought about by the huge modernization and experimentation of the Dominion's newsprint manufacturers.

The program includes expansion of the present 30,000 tons of newsprint annually to between 75,000 and 80,000 tons. To complete this program, the company has ordered a second paper machine, to be built by Dominion Engineering Co. at Montreal.

Australian groups, who have visited here, have studied closely the new methods being used, including the hydraulic barkers, and are understood to be intensely interested in the projected new pulp mills here, which will use waste products.

Mr. Kessell, who visited Canada last month, has long been indentified with the timber industry in Australia. During the war he served as state conservator of forests in Western Australia. As managing director of Australian Newsprint Mills, he is responsible for the large expansion program of his company.

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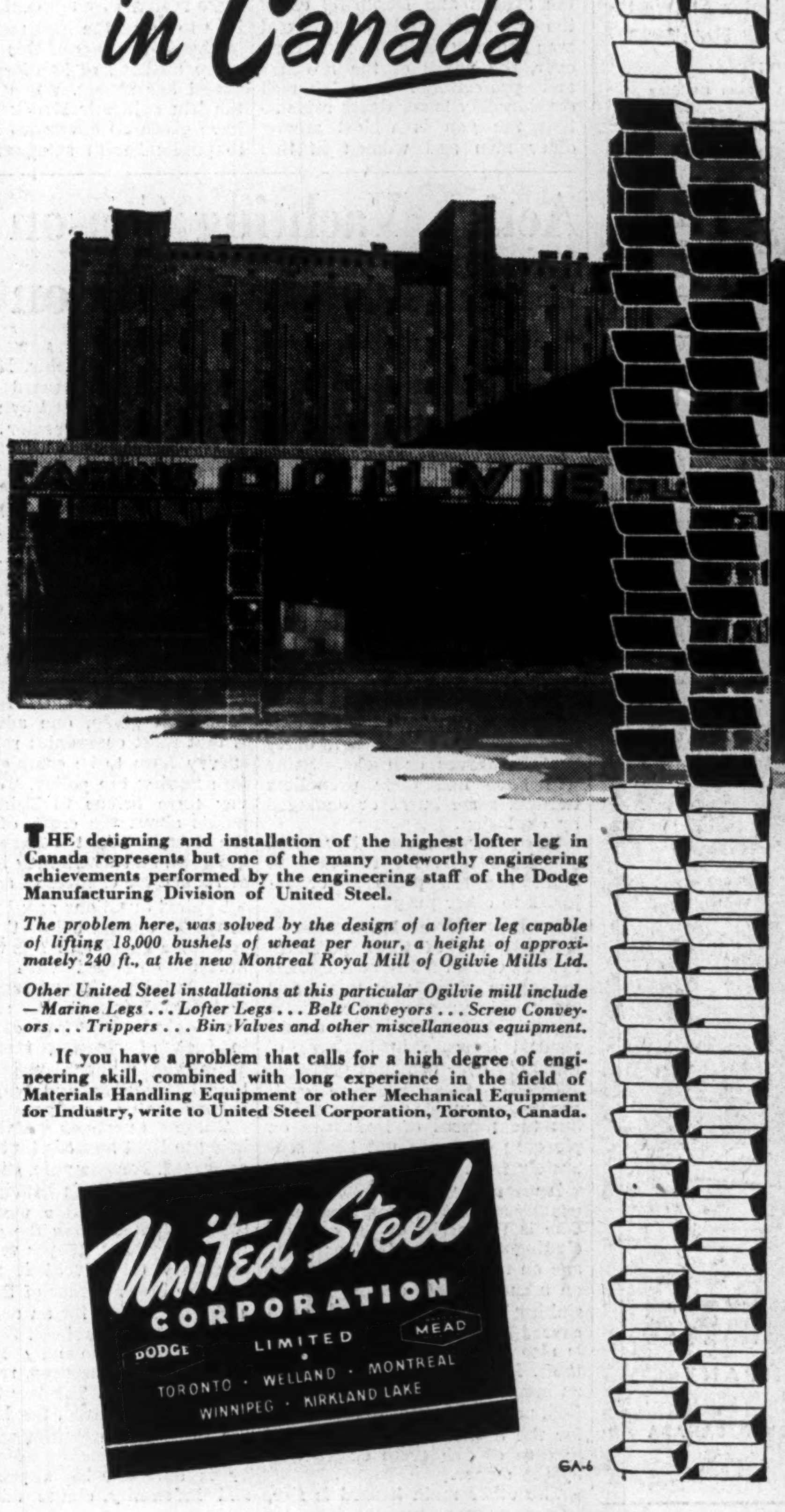

THE designing and installation of the highest lofter leg in Canada represents but one of the many noteworthy engineering achievements performed by the engineering staff of the Dodge Manufacturing Division of United Steel.

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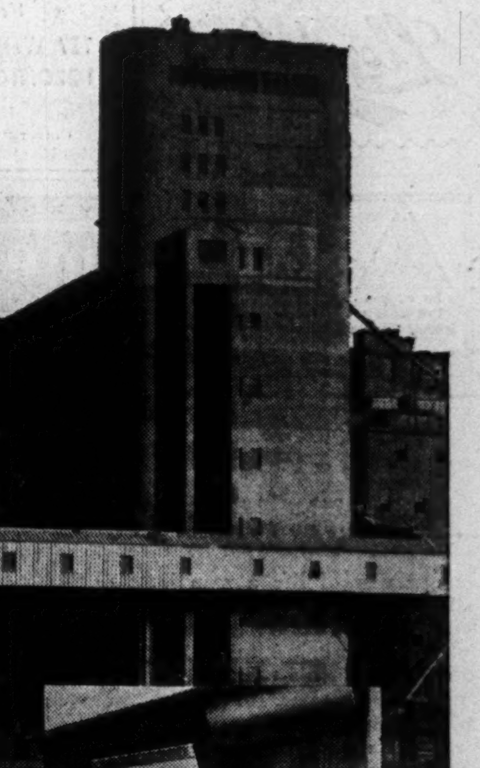
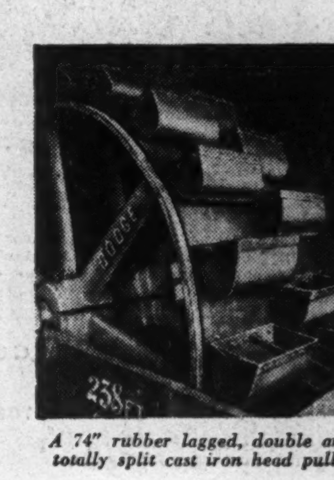


Section of belt showing method of attaching buckets



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Do Plagues, Epidemics 'Cleanse' Nation? Here's Canadian's Challenge to Theory

Are plagues and epidemics beneficial in ridding the world of many sickly persons who otherwise might live and lower the general health of the nation? Does medical progress in reducing mortality at the younger ages of the human race mean increased mortality at the older ages?

Such theories were challenged by Arthur Pedoe, life manager and actuary for Canada of the Prudential Assurance Co. of England, in a paper presented at the Centenary of the British Institute of Actuaries in London. Mr. Pedoe's paper won a prize from the Institute, the first ever received from the Institute by anyone in Canada. (The Financial Post, July 17). Here is a digest of his address:

For many years many people have believed that progress in medical science and social services have resulted in keeping weakly people alive and thus diminished the vitality of the country as a whole.

Moreover, actuaries and medical men have attributed the sharp drop in the North American death rate after the influenza epidemic of 1918 (which killed over 500,000 people) to the death of many sickly people leaving a healthier population behind after the purge.

The public, reading such statements by experts, have assumed that they have been proved statistically and have accepted the theory of the "survival of the unfit" as one of the penalties of medical progress. They have also accepted the explanation of the beneficial "purge" of an epidemic as some divine compensation for the terrible suffering it brings mankind. Investigation however supports the theory that disease breeds death and that when you reduce disease you increase vitality.

It would be thought that the effect of epidemics and medical progress could be proven readily without dispute. But very few countries have vital statistics going back far enough and which are considered accurate enough to be the basis of such an investigation. When the factor of "cause of death" is required, the field of available data is narrowed even further.

Death Rate of Negroes

The analysis of vital statistics is a fertile field of error. In tables published on the recent census of the U.S.A., the death rate of negroes at the older ages (over 80) is shown to be not only lower than that of whites but among the lowest ever recorded for the people of any country in the world. In infancy and at the younger adult ages, the death rates among negroes in the U.S.A. is shown by these tables to be three, four or even five times as high as those of whites of the same age. Here apparently is proof that the harsh lot of the negro in early life eliminates all the weakly and diseased, thus leaving the survivors as perfect specimens subject to the lowest death rate on record.

This is one of the many instances examined and shown to be false by Mr. Pedoe in his paper. Quotations from U. S. Government publications are given by Mr. Pedoe showing that deaths of negroes in rural parts of the South in the U.S.A. are not completely registered and a check in one rural county showed non-registration of deaths to be as high as 50%. Further, Mr. Pedoe points out that negroes at the older ages were born in slavery and little value could be placed on the statements given of their age at death or at the census.

At the end of the nineteenth century, and the early years of this century, actuaries were hard put to explain why such great reductions were shown in the death rate among children and young adults while the death rate at the older ages (say over 55) remained stationary or even showed a tendency to increase. The facile explanation, generally made, was that already mentioned — every reduction in the death rate at the younger ages resulted in an increase in the death rate at the older ages due to the survival of the weak resulting from advances in medicine, sanitation and social services. This is challenged by Mr. Pedoe who, as part of a detailed analysis of the problem, points out that an increase in the number of people at the older ages does not necessarily mean that the rate of death among older people must increase.

A development in recent years, in both England and North America, is that the death rate among people over 55 has been decreasing. So much publicity is given to the increasing number of deaths from cancer and heart disease that little attention has been paid to the startling fact that older people are beginning to live longer. This is a matter of great economic significance, which is only slowly being realised. A reduction in the birth rate and a decrease in the death rate among older people has a combined effect in increasing rapidly the proportion of elderly people in a country.

Affects Annuities

The reduction in death rate among older women has been remarkable, much greater than among men and the gap continues to widen. Mr. Pedoe refers to an investigation by him published two years ago where he demonstrated that in recent years much of the decrease in death rate at the older ages among men was in the artisan and labouring class; the business and professional men showing little change. However, the wives of the business and professional men showed considerably lower death rates so that the gap is widest among older men and women in this higher social class. Undoubtedly, recent medical discoveries as the sulpha, penicillin and streptomycin drugs will have their effect on the death rate at the older ages of both men and women but owing to the delay in publishing national statistics, there is little material available later than 1940. This reduction in the death rate at the older ages and the widening gap between men and women is of serious moment to life insurance companies who grant guaranteed annuity options under their life insurance policies. The greater susceptibility of men on this continent to heart disease as compared with England is another factor referred to by Mr. Pedoe.

Another point made to challenge the theory of the "survival of the unfit" is regarding married women. The lower birth rate and the great improvements in gynecology and pre-natal attention should mean that many weak and diseased mothers who formerly died in childbirth now live, according to this theory, to reduce the vitality of the survivors. Yet one of the dominant traits of female death rates has been that lower fertility and lower death-rates seem to go together.

The Influenza Epidemic of 1918

It is stated that the influenza epidemic of 1918-1919 ranks third in magnitude among the great pestilences of the world, being surpassed only by the Black Death of the 14th century and the great fifty-year plague in the era of the Roman Empire. The Black Death killed between one-third and one-half of the population of Europe. Professor Trevelyan in his "English Social History" points out that the famous plague of London was merely the last and not perhaps the worst of a series of outbreaks covering three centuries. Mr. Pedoe observes that if plagues are "beneficial" in character then "mankind has certainly had every opportunity to be purged of his sickly members."

However, the reduction in death rate in the U.S.A. after 1918 is so striking that it would be impossible to dissociate it entirely from the influenza epidemic. Mr. Pedoe worked out the trend in death-rate in both the U.S.A. and England both before and after the epidemic. His charts show that although the death-rate in the U.S.A. fell more rapidly after 1918 than before it, yet in England the reverse was the case. In other words, the downward trend of death rates appears to have been speeded up by the influenza epidemic in the U.S.A. and slowed down in England. There is evidently no universal principle.

Effect of Immigration

Mr. Pedoe gives figures of immigration into the U.S.A. and suggests that its drastic reduction during World War I and rigid restriction after 1924 was a factor in this sudden "improvement" in death rate. Undoubtedly public health problems in the U.S.A. were realized by medical authorities to be of the first magnitude in the early years of this century when millions of immigrants invaded her shores. When in 1918 the 'flu epidemic struck it must have given an enormous impetus to public health safeguards and these, together with the reduction of immigration, changed the course of U.S. mortality trends. According to Mr. Pedoe this gave the appearance that the scourge itself was the cause, due to the elimination of the weak and unfit. As a matter of fact the greater part of the influenza deaths was among the young, not the old. The efforts to combat disease made in the U.S.A. are illustrated by Mr. Pedoe with special reference to tuberculosis.

The many tables and charts given by Mr. Pedoe are a powerful argument in favour of his thesis although Mr. Pedoe states that he does not pretend to have given a complete answer to the problem. In his opinion: "Disease breeds disease and death and not vitality" and "Reduce disease and you increase vitality." These statements are of major significance in a world which aims to do so much along the lines of medical research and social improvement.

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Great-West Life Assurance Issues Half Yearly Report

The Great-West Life Assurance Co. has apparently blazed a new trail among Canadian life insurance companies by publicizing a mid-year report on operations.

A single report at the year end has limitations and many of the changes in company affairs and trends affecting its business can be referred to only briefly if at all in a year-end report, says H. W. Manning, vice-president and managing director. Accordingly, interim reports on a company's progress can usefully be made at more frequent intervals, he adds.

More business was placed with the Great-West Life in the first six months of 1948 than in the whole year 1943 and almost twice as much as in 1938 says Mr. Manning. Ordinary and group business placed totaled $78.5 millions up $5.3 millions over the same period of 1947. June ordinary business showed a marked increase over the same month in previous years. Total insurance and annuity policies placed with the company in the six months period were $101.2 millions. ($102.8 millions in 1947). The decrease is attributed to a lesser volume of group insurance and annuities, two large group policies being placed in 1947. Premium income of the accident and health branch increased 29% to $765,000.

Business in force on June 30 totaled almost $1.3 billions, over $1 billion life insurance and $208.8 millions deferred annuities. Total business in force at the end of 1947 was $1.2 billions. Total assets increased $10.5 millions to over $314 millions. Policy loans increased slightly in volume but as a percentage of total assets were 4.7%, lowest ratio in the company's history. The greatest growth in the investment portfolio was in mortgages. Repayments on existing mortgages continued at a high level. Average rate of interest earned for the six months was 3.63% (3.75% for the full year 1947.)

Norwich Union Life Opens Toronto Branch

Norwich Union Life Insurance Society is opening a head office branch at 8 Wellington St. East, Toronto. It will be supervised by J. W. McClellan, superintendent of agencies for Canada assisted by acting branch managers H. K. Balfour, R. K. Crouch and W. F. Gordon. The Society plans to establish branches at all major points throughout Canada.

Silknit Ltd. Buys Coaticook Textiles

Coaticook Textiles Ltd. has been purchased by Silknit Ltd. for 5,000 Silknit 5% $40 par preferred and 4,000 Silknit $5 par common shares, plus a small additional cash consideration. The newly acquired company will be operated as a subsidiary by Silknit Ltd. which purchased all the outstanding preferred and common shares.

Coaticook Textiles Ltd. manufactures broad woven rayon material from biviscose, acetate, bemburg and spun yarns. Equipment at its plant at Coaticook, Que., includes 176 looms, 20 spinning machines and 3,712 spindles. There are about 130 employees. The company has been operating since 1944.

Capitalization consists of 750 6% non-cumulative redeemable preferred shares, $100 par, and 25,000 npv common shares, of which 580 preferred and 2,000 common shares are outstanding. There is no funded debt.

Cost of Living vs. Dividend Dollar

MONTREAL (Staff)—G. Blair Gordon, Dominion Textile Co. president, recently pointed out that the official cost of living index indicates that it now takes $1.54 to buy what you could get for $1 in 1935-39.

In terms of Dominion Textile dividends, Mr. Gordon said, the $5 dividend paid during 1935-39 would call for a $7.70 dividend now—if it is to provide the same purchasing power. Translated into the new Dominion Textile shares, this means 85½ cents per share annually, Mr. Gordon explained.

He could not promise that the company's earnings this year would permit payment of such a total dividend. At the same time, Mr. Gordon declared, "the company's 5,000 shareholders could hardly be criticized for desiring, nor the company for paying," dividends at a rate which to some extent offsets the loss of purchasing power suffered by the dividend dollar.

LEGARE CO. results for the first quarter ended June 30, 1948, was at approximately the same level as for the corresponding period in 1947, Sydney Levitt, president and general manager, stated following the recent annual meeting.

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Active Yachting Season Brings Demand For Insurance Cover on Pleasure Craft

On Canada's numerous lakes and rivers thousands of pleasure craft are bobbing on the waves as amateur sailors try their skill in a record number of sail and power craft.

They range all the way from rowboats to expensive yachts, including war vessels converted into luxurious pleasure craft.

Up to the first week in August, 792 pleasure craft had been licensed by the Toronto Harbour Commission against 776 for the whole of 1947. It is expected that a substantial additional number will be placed in commission before the 1948 boating season ends.

Before winter comes, some of these craft will have become casualties due to collision with other boats, wharves or rocks. Some will have had their propellers twisted, some burnt or damaged by explosion.

Some owners may have had expensive bills for damages to other people's property or injuries to other people.

Carry Marine Insurance

Realization of these possibilities has caused many boat owners to insure their vessels. Some marine insurance underwriters say this season has shown a substantial increase in business of this kind over previous years.

Usually these pleasure craft are insured under a marine policy but the figures of insurance on pleasure craft are not kept separately from those for all vessels.

Insurance written however is usually against two main hazards. One is the perils of the sea, including loss of the boat or damage on rocks, a propeller twisted on a sunken reef or log, loss by sinking or any other damage caused by wind and waves. There is also the possibility of loss by theft. In any case the owner of an insured craft will be indemnified, no matter who is responsible for the mishap, except of course in case of deliberate destruction by the owner.

The other main hazard is fire, more common on power boats than on sailing yachts. However the greater fire hazard on the power boat is claimed by some to be offset by the greater control of movement.

Then of course there are the hazards of damage the boat-owner may do to other people's property or person. The hazards in this respect are very similar to those of the motorist. The yachtsman may for example collide with another boat, damage a wharf, or run down a bather.

Examine Yachts Closely

In writing yacht insurance, apart from the actual financial protection given, one advantage is that most companies require a survey form to be completed before issuing the policy. This survey form brings to light many points about the craft, of which the owner might otherwise be ignorant, and which may increase or reduce the chances of accident.

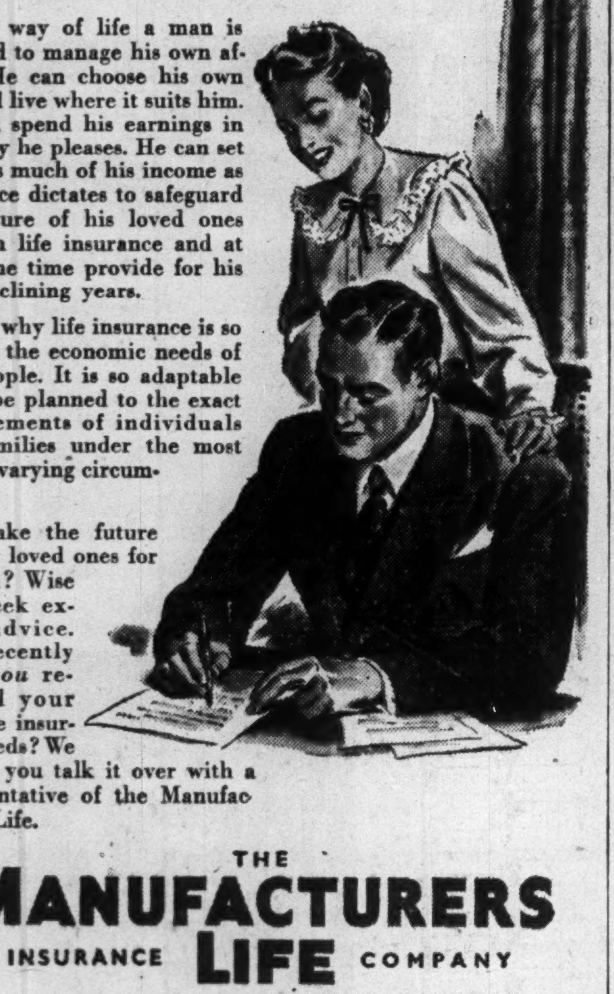
Typical questions are: Does the propeller extend below the keel? Is there a guard on it? Is the carburetor equipped with a drip pan? Is there a forced ventilation system? Information required also includes methods of taking in fuel, of clearing flammable gases, the number, weight and type of anchors, and lengths of anchor chains, or ropes.

These questions frequently bring to light hazards that can be corrected. For example, gas formed from gasoline is heavier than air, hence falls. In a motor car it is dissipated along the ground. In a motor boat, proper vents are necessary to prevent it settling into the lower spaces of the boat, a perfect setting for an explosion if a spark is provided. Study of the survey form may lead to changes in construction, remodelling of the craft. The less the fire or explosion hazard, the lower is the insurance premium rate.

Protection against public liability is obtained by a protection and indemnity clause added to the main yacht policy. The protection is similar to the automobile policy, standard protection being $5,000/$10,000 for bodily injury. The property damage cover is limited to the value of the policyholder's boat. There are of course restrictions such as if the owner goes into a race.

Premiums are usually quoted on specific case having regard to the type of construction, power of engines, waters traversed, and other specific factors.

IT ISN'T COMPULSORY
...but Wise Men are doing it!



In our way of life a man is allowed to manage his own affairs. He can choose his own job and live where it suits him. He can spend his earnings in any way he pleases. He can set aside as much of his income as prudence dictates to safeguard the future of his loved ones through life insurance and at the same time provide for his own declining years.

That is why life insurance is so vital to the economic needs of our people. It is so adaptable it can be planned to the exact requirements of individuals and families under the most widely varying circumstances.

Why take the future of your loved ones for granted? Wise men seek expert advice. How recently have you reviewed your own life insurance needs? We suggest you talk it over with a representative of the Manufacturers Life.

THE MANUFACTURERS LIFE INSURANCE COMPANY
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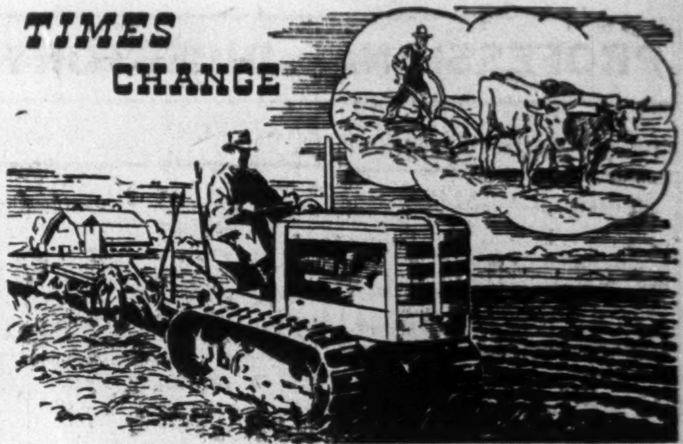
TIMES CHANGE



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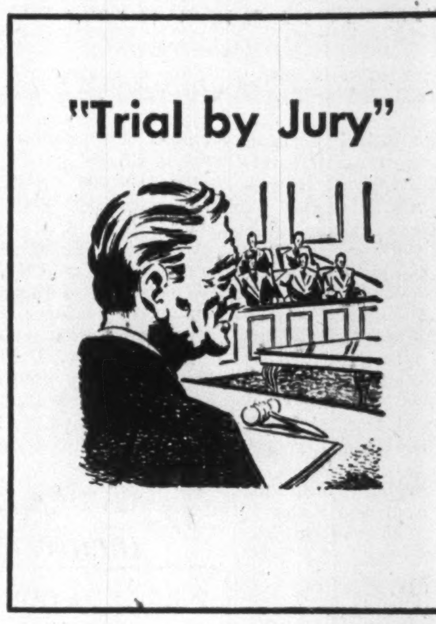
"Trial by Jury"



Should a jury award a substantial sum to a person injured on your property, or by reason of some act or negligence on your part — a "Western" Comprehensive Personal Liability policy would save you from financial embarrassment, possibly bankruptcy.

FINANCIAL POSITION DECEMBER 31, 1947
Assets $19,780,573
Liabilities to the Public $13,825,710
Capital $1,400,000
Surplus above Capital $4,554,863
Losses paid since organization $152,691,301

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HEVA GOLD MINES advises that Dunlo Investors has taken up Aug. 1 installment on 50,000 shares at 10 cents a share. Issued capital is 3,550,000 shares.

Is a Five-day Banking Week Feasible? Here Are Some Points Being Argued

Is the five-day banking week coming in Canada?

Many people, including bankers, think so. But some are opposed, claiming that it is not practical because of the nature of Canadian business. The five-day week is interpreted generally as meaning Saturday closing and Saturday, in some parts of the country, is the busiest day of the week, claim opponents of the idea.

Over a year ago, The Financial Post made a survey of the situation, when opinion was found to be sharply divided. There appears to be much difference of opinion still. But it is understood support for the shorter banking week is so strong in some quarters that the banks are again studying the whole matter seriously.

Nothing of course can be done until the Bills of Exchange Act, which requires the banks to remain open every lawful day, can be amended. Every lawful day means every day except Sundays and statutory holidays.

How It Affects Staff Problems

One of the chief arguments advanced for Saturday closing is that it is a trend of the times. Many industrial and commercial firms are on a five-day week and this lessens the demand for bank services in the larger centres. It also, it is claimed, makes it difficult for the banks to get staff, in competition with other concerns that remain closed on Saturday.

Male employees are not so likely to be affected because, when a young man goes into a bank, he has generally decided to make banking his profession. Accordingly, while he would probably like to have all day Saturday off, his progress in the institution is a first consideration. But with female employees, the job is looked on as more or less temporary and accordingly the ambition to progress is secondary to the desire for a working week at least as short as those of their friends and acquaintances.

Supporters of Saturday closing say that business can readily adjust itself to the shorter working week just as business adapted itself to Saturday night closing, then to Saturday afternoon closing, and then to closing all day Saturday in many cases.

Moreover for about two years now, banks in the United States have in many cases been working on a five-day week and it is believed it has been satisfactory there. In the United States, however, there appears to be no hard and fast rule; banks have the legislative authority largely to close or remain open as the situation requires.

Here's What Opponents Say

Opponents of the Saturday closing idea say that:—

While Saturday is a quiet day in the large cities, in smaller cities and in rural centres it is frequently the busiest day of the week.

In livestock areas much of the shipping is done on Saturday so the cattle will reach the large markets by Monday. Then other farmers having worked hard on the land all week, often like to finish Friday night or early Saturday morning if they can, then take the day off to go to town, buy groceries, take in a show.

In some cases, banks have met the situation as far as staff is concerned by closing Wednesday afternoons.

About a year ago, the banks generally adopted new Saturday hours from 9 to 11, instead of 10 to 12, and this seems to have worked fairly well. Some complaints have been received from people accustomed to the old hours "But if we kept open 10 hours on Saturday somebody would still be bound to complain" said one banker.

One of the big objections to Saturday closing is in the case of large retail stores which do a lot of business Saturday afternoon. But this can be taken care of by the banks establishing depositories, where customers can drop in deposits through a chute into the vaults, the banks picking up the deposits Monday morning.

Some bankers say that more production of everything is needed just now and cutting the working hours of the banks only tends to curtail production and to that extent is inflationary. Moreover even if the working week were curtailed, there would still be just as much work to be done and it would only mean that the staffs would have to do five and one-half days work in five days or else the bank would have to take on more staff. This would add to costs.

It has been suggested that if and when the enabling legislation is obtained, it might be advisable to try how the plan worked during the summer months. The shorter week was tried in New York first in the summer months.

In any case, a number of bankers who are neutral on the Saturday closing idea feel that it would be desirable to have the power to close on Saturdays if desired. They could then work out the banking week as might seem best for the public and the bank staff of their community and locality.

ROGER LEWIS

of Montreal has been appointed vice-president in charge of sales of Canadair Ltd.

Cheques Cashed Up 8.47% June

Cheques cashed against individual accounts in June totaled $6,475 millions—an increase of 8.4% from the corresponding month last year, DBS reports.

Only one of the five economic areas, the Maritimes, showed a decline. It was down 22.3%, due to the marked drop of 37.5% for the Halifax clearing centre, as Moncton and Saint John were both up.

Each of Quebec's three clearing centres recorded increases, as did all in Ontario except Ottawa. Two of the 10 centres in the Prairie Provinces recorded declines, Calgary and Moose Jaw. Victoria B.C. showed an advance of 41.4% (the largest percentage increase of the 33 centres), while both New Westminster and Vancouver also showed gains.

Over the first six months of 1948, cheques cashed totaled $38,108 millions, or 4.7% more than the same period last year. All economic areas showed increases except Quebec, which dropped 3.1% owing to the reduced level recorded in Montreal. The only other centre showing a decline was Ottawa, 16.8%.

The cumulative total of cheques cashed for the first six months of 1948 was greater than in the same period of any other year, 67% higher than in the 1929 period and 161% higher than in the 1938 period.

Figures for June with comparisons are as follows:

	June 1948	May 1948	June 1947
Maritimes:			
Halifax	76.8	115.3	122.8
Moncton	27.6	27.4	24.1
Saint John	42.7	40.3	42.3
Total	147.1	183.0	189.2
Quebec:			
Montreal	1,694.6	1,659.6	1,616.5
Quebec	200.4	200.4	149.3
Sherbrooke	23.9	23.5	20.3
Total	1,918.9	1,883.5	1,786.1
Ontario:			
Brantford	32.3	32.6	28.6
Chatham	20.2	19.0	18.5
Fort William	19.2	17.0	16.8
Hamilton	161.3	161.4	145.0
Kingston	20.0	20.7	18.3
Kitchener	37.3	42.2	34.0
London	89.0	84.7	85.4
Ottawa	249.7	288.2	285.6
Peterborough	21.9	21.9	19.9
St. Catharines	31.5	29.4	26.3
Sarnia	28.3	22.5	21.4
Sudbury	19.5	19.1	15.3
Toronto	1,863.5	1,822.7	1,598.5
Windsor	109.8	111.1	88.9
Total	2,703.5	2,692.5	2,402.6
Prairie Provinces:			
Brandon	11.0	11.8	10.3
Calgary	164.5	145.8	173.9
Edmonton	138.3	121.9	129.6
Lethbridge	16.4	14.6	13.9
Medicine Hat	7.9	7.3	7.8
Moose Jaw	17.8	18.1	18.1
Prince Albert	[illegible]	[illegible]	[illegible]
Regina	89.5	80.3	95.3
Saskatoon	[illegible]	[illegible]	32.9
Winnipeg	626.3	664.8	594.5
Total	1,129.4	1,111.5	1,085.2
British Columbia:			
New W'minster	26.5	26.7	23.8
Vancouver	458.3	465.9	424.3
Victoria	90.8	82.3	64.2
Total	575.7	574.9	512.3
Total for Canada	6,474.5	6,445.6	5,975.4

BANK OF CANADA

	Aug. 4, 1948 $	July 28, 1948 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,223,960,072	1,218,005,936
Deposits: Dom.	90,185,450	133,562,470
Chart. banks	527,330,967	497,422,259
Other	84,467,798	88,699,993
Total deposits	701,984,215	719,684,722
Liabs. payable in sterling U.S.A. and for'n. gold currencies:		
Deposits	108,591	108,591
All other liabs.	17,293,713	16,451,883
Total liabs.	1,958,396,958	1,969,301,499
Assets		
Sterling & for'n. exchange	108,591	108,591
Other currencies	72,479	72,384
Total	181,070	179,975
Subsid. coin	252,158	254,047
Investments:		
Dom. govt. shs.	1,133,558,124	1,150,264,687
Oth. Dom. gov.	773,554,612	773,447,641
Total invest.	1,907,112,736	1,923,712,328
Ind. Dev. Bank Total share cap. at cost	25,000,000	25,000,000
Premises	2,416,335	2,416,038
All other assets	23,434,659	17,739,111
Total assets	1,958,396,958	1,969,301,499

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

G. S. JOURDAN, to be manager, Hintonburgh, Ottawa.

L. R. MONDERIE, to be manager, Brownsburg, Que.

W. F. GRUBBE, to be accountant, Weston, Ont.

W. K. SHIER, to be accountant, Parry Sound, Ont.

C. J. ASH, to be manager, Saskatoon, Sask.

FOREIGN TRADE ENQUIRIES

Herewith are definite trade proposals and enquiries for Canadian goods from business firms in foreign countries.

The queries here listed come from foreign readers of The Financial Post, other Maclean-Hunter publications and particularly from Canadian Trade Abroad, and Industrial Progress, the industrial edition of Canadian Trade Abroad.

Write The Foreign Trade Bureau, The Financial Post, 481 University Ave., Toronto 2, for information about any bulletin below and please give the code number preceding the item. Publication does not imply endorsement of credit by Canadian Trade Abroad.

ITALY—Exclusive agency for Canadian products for Central Italy solicited by long-established firm of forwarding and representative agents claiming good knowledge of Italian import regulations and procedure. References offered. M-16.

* * *

MEXICO — Export-import firm interested in importing chemicals, canned goods, construction materials, drugs, electrical equipment, iron and steel products, lard, paints and varnishes, plastic products, railway and road equipment, sanitary equipment, structural steel, tiles, sheet and strip steel, wire. M-17.

* * *

SPAIN — Representation offered for Canadian industries. Terms and conditions of sale requested. References offered. M-13.

* * *

MEXICO—Trading company would like to export to Canada honey, pineapple, bananas, food products, textiles, asphalt, plywood, hides and skins, mica, lumber, mercury, turpentine, and other Mexican products. M-12.

* * *

NETHERLANDS—Colorless, moistureproof transparent packaging paper, trade name "Cuprophan," in sheets of 80 x 100 or 100 x 100 cms, weight 23 grams per sq. meter, offered for sale, U. S. $38.50 per sq. meter, fob Rotterdam/Amsterdam, payment by irrevocable letter of credit. CT-28.

* * *

EL SALVADOR — Agency on commission basis sought for general toy lines. References offered. CT-29.

* * *

URUGUAY—Import-export house anxious to establish connections with Canadian exporters of machinery, general hardware items, chemical products, tools, etc. M-15.

* * *

GREECE—Import-export firm interested in securing supply source for agricultural implements, particularly reaper-threshers suitable for harvesting wheat, barley, rye, rice, lentils, beans, peas, etc., reaping width approx. 12 ft. References offered. IP-13.

* * *

EIRE—Importers and dealers in electrical, auto and radio goods request samples, best net cash export price and approximate date of delivery for 25-amp automobile fuses. M-14.

* * *

PERU—Construction firm would like to get in touch with person or firm interested in selling faggoting equipment and merchant bar mill (new or used), preferably using electric furnace. Would also like to communicate with technician familiar with technical difficulties of installation. IP-14.

* * *

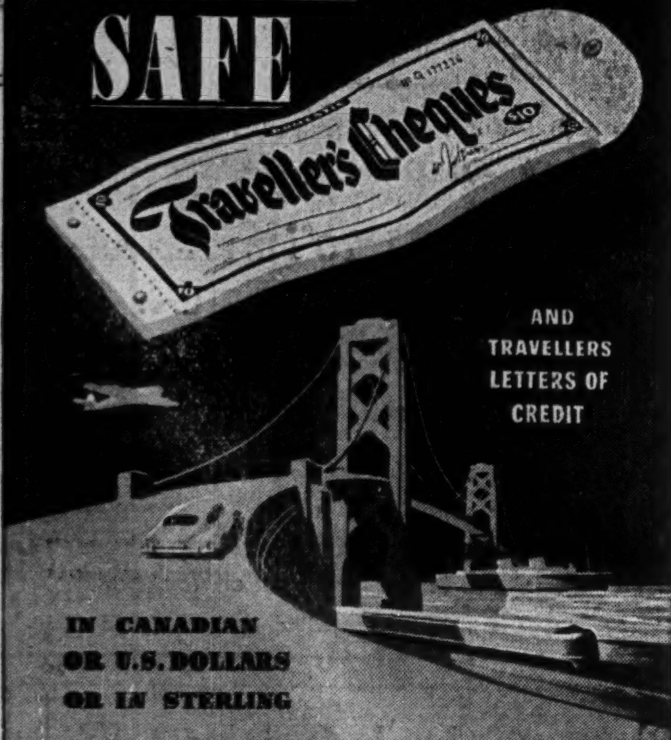
NEW ZEALAND — Financial and marketing consultants offer comprehensive marketing information service. Estimates given without obligation. M-17.

Amos, Que., Gets Paving Plus Schools, Hospital

Quebec's northern mining community of Amos is up and doing. Town council has just decided to undertake a progressive paving program covering all 15 miles of local streets, following recent approval by ratepayers. The School Board has just started building two new schools with a combined cost of about $600,000 of which the provincial government has granted two-thirds; contractor Simard & Frere Cie. Same contractor last year began building a $2 million hospital in Amos for 1949 completion.

Waterloo Mfg. Branch Is Opened at Chatham

Waterloo Manufacturing Co., Waterloo, Ont., (President and General Manager A. T. Thom) recently formally opened its newly built 10,000 sq. ft. warehouse, showroom and office at Chatham, Ont. for regional distribution of its lines of construction, agricultural and special machinery, industrial steam boilers, tools, dies and molds.

HANDY & SAFE

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The various forms of Pension Plans available and the different degrees of control, flexibility and benefit which each affords, make it difficult to choose the most suitable Plan, without careful study.
Our experience in the field of Pension Trusts extends over many years and embraces the planning and administration of a number of such Trusts, including the operation of a very flexible and economical type of Pension Fund for our own employees.
We offer you the benefit of our experience in selecting and setting up your Pension Plan and the advantage of our services in connection with its operation.
You are welcome to discuss your Pension Plan problems with us, without obligation.
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DIVIDEND NOTICES

MONTREAL LOCOMOTIVE WORKS, LIMITED

215 St. James Street, West
Montreal, P.Q.

DIVIDEND No. 10

A dividend of twenty cents (20c) per share on the Common Stock of this Company has been declared payable October 1st, 1948, to holders of record at the close of business on September 3rd, 1948.

Transfer books will not be closed.

CARL A. SUNDBERG,
August 5, 1948 Secretary

Westeel Products Limited

DIVIDEND NO. 14

Notice is hereby given that an extra Dividend of fifty cents per Share has been declared on the outstanding Capital Stock of the Company, payable in Canadian Funds on the 15th day of September, 1948, to Shareholders of record at the close of business on the 25th day of August, 1948.

By Order of the Board.

P. F. FOWLE,
Secretary-Treasurer.

Toronto, August 4th, 1948.

Auto Electric Service Company, Limited

Class A Shares — Dividend No. 6

Notice is hereby given that a dividend of 12½ cents per share on the Class A shares of the Company has been declared payable on and after September 15th, 1948, to shareholders of record at the close of business on August 21st, 1948.

Common Shares — Interim Dividend No. 3:

Notice is hereby given that a dividend of 15 cents per share upon the no par value common shares of the Company has been declared payable on and after September 15th, 1948, to shareholders of record at the close of business on August 21st, 1948.

Common Shares — Interim Dividend No. 4:

Notice is hereby given that a dividend of 15 cents per share upon the no par value common shares of the Company, has been declared payable on and after December 15th, 1948, to shareholders of record at the close of business on November 20th, 1948.

By Order of the Board,

J. A. STEPHEN,
Secretary Treasurer.

Dated at Toronto, Ont.,
August 5th, 1948.

British Columbia Packers Limited

NOTICE IS HEREBY GIVEN that the Directors of British Columbia Packers Limited have declared a dividend of 37½c per share on its Convertible Non-redeemable Class "A" Shares, payable on September 15, 1948, to shareholders of record at the close of business on August 25, 1948.

NOTICE IS HEREBY ALSO GIVEN that the Directors of British Columbia Packers Limited have declared a dividend of 25c per share on its Class "B" shares, payable on September 15, 1948, to shareholders of record at the close of business on August 25, 1948.

NOTICE IS HEREBY ALSO GIVEN that the Company's Registers of Transfers in respect of its Class "A" and Class "B" Shares maintained at the office of The Canada Trust Company, in the City of Vancouver, B.C., and the Company's Branch Registers of Transfers maintained respectively at the office of The Canada Trust Company in the City of Toronto and at the office of Chartered Trust and Executor Company in the City of Montreal will be closed from and including the 26th day of August to and including the 1st day of September, 1948.

DATED at Vancouver, B.C., this 4th day of August, 1948.

By Order of the Board

A. HAMILTON,
Secretary.

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND NO. 114

NOTICE is hereby given that a dividend of Eighteen Cents per share on the issued capital stock of the Company, will be paid on the fifteenth day of September, 1948, to shareholders of record at the close of business on the fourteenth day of August, 1948.

By Order of the Board.

Kirkland Securities Limited,
Secretary.

Dated at Kirkland Lake, Ontario, August 2nd, 1948.

BANQUE CANADIENNE NATIONALE

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of two per cent (2%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1948. This dividend, bearing the number 230, will be payable at the Main office or at the branches of the Bank, on or after the 1st day of September, 1948, to the shareholders of record on August 16, at the close of business.

By Order of the Board,

CHARLES ST-PIERRE,
General Manager.

Corporate Investors Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of eight cents (8c) has been declared on the paid-up Capital Stock of the Company for the quarter ending July 31st, 1948, payable August 16th, 1948, to shareholders of record at the close of business July 30th, 1948.

By Order of the Board.

H. J. McLAUGHLIN, K.C.,
Secretary.

Dated at Toronto, July 30th, 1948.

CANADIAN WESTERN NATURAL GAS COMPANY LTD.

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of Twenty Cents (20c) per share on the Cumulative Redeemable Preference Shares 4% Series of the par value of $20.00 each of the Company will be paid on the 1st day of September, 1948 to all shareholders of record at the close of business on the 16th day of August, 1948.

DATED at Calgary, Alberta, this 3rd day of August, A.D. 1948.

By Order of the Board.

D. K. YORATH,
Secretary.

350-Million Bushel Crop Seen Possible on Prairies

(Special Correspondence)

WINNIPEG — Crop prospects in Western Canada have greatly improved, due to rainfall and to good growing weather, with an absence of excessive heat. As late as the middle of July, opinion was that wheat would fall below last year's crop of 320 million bushels; that it might go below 300 millions. Now there is general confidence that last year's total will be exceeded; and there is at least reasonable possibility that the crop may be over 350 million bushels.

Greatest hazard now is August frost. Much of the crop is very late and susceptible to severe damage in some areas even destruction — from that source. If, however, frost holds off and all the growing crop is matured, the total yield may be higher than anyone predicts at this moment.

Harvesting Under Way

Harvest is already beginning in some places, where the crop was early and each day during August will see the area extended, with a possibility that some crops will have to go through into September before they are ready to be cut. Practically all of Manitoba has a good crop, with some bumper yields in prospect.

Eastern and northeastern Saskatchewan are generally good, with the prospect deteriorating as one goes west in that province. One area west of Saskatoon has suffered considerable damage from grasshoppers, but the crop there would have been light in any case. Although similar damage had been widely feared in other areas, the same rainfall which has abundantly promoted growth, checked the grasshoppers.

There is proportionately more late crop in Alberta than in the other provinces, and consequently, greater fear of possible frost damage. In addition, there are widespread stretches where more rain is urgently required to prevent deterioration.

Usual Trend Reversed

This season has shown a marked reversal from the normal progress of the crop. Fairly abundant June rains are usually to be counted upon, and the normal expectation is that crop possibilities are at a maximum at June 30. Frequently on that date it can be said that if the hopes of all individual farmers were realized, total wheat production would go beyond 500 million bushels. Hot, dry weather is usually counted on to begin about July 1 from which date crop possibilities usually suffer a daily setback.

This year the crop started off with good prospects where there was fairly abundant subsoil moisture and, owing to a prolonged winter of heavy snowfall and a delayed spring, there was plentiful surface moisture over the West. General June rains did not count, and precipitation during that month was largely in the form of local showers. The topsoil tended to dry out, and late-sown crops, although they started well, were to a large extent unable to get their roots down into the subsoil moisture.

At July 1 the outlook was far from promising. To a large extent, however, the rains which should have come in June, fell in July. Gradually districts which had feared crop failure or only meagre returns began to improve. For a time fears were felt that over very large areas, farmers would not harvest enough grain for seed and feed; and possibilities of extensive distribution of grain in dried-out areas began to be exempt. Now any area of complete failure is likely to be small.

Coarse Grain Surplus

The coarse grain outlook is more uncertain, as oats and barley have characteristically less resistance to adverse conditions than has wheat, and less ability to recover after a setback. In addition, such crops were for the most part seeded later than wheat. However, the West seems almost certain to produce a considerable surplus over its own requirements for feed grain and, with the good crops in prospect in Eastern Canada, will have to seek an export outlet.

Throughout the past crop year, because of fears entertained by the Government that feed supplies in Canada might be depleted, restrictions against export were very severe. At the beginning of the year there was a complete embargo. Later this was modified to permit some small shipments to European countries; but when permits were granted, fees charged were kept at so high a level as to make business with the United States practically impossible.

Such fees began at a level of $1.30 for barley and 65c for oats. They were gradually reduced during the last two months of the crop year and at the end of July were only 5c a bushel for both oats and barley and, at the beginning of August, the charge for export fees was completely abolished. Exports cannot yet be described as free, because permits must still be obtained, although at no cost. A complete lifting of that requirement is hoped for by those interested in the trade; as long as it continues it tends to check business.

Indirect Price Control

Although such a purpose was not acknowledged, the equalization fee system served as a measure of price control on oats and barley after the former method of controls by price ceilings disappeared last October.

In the meantime, feed grain prices in the United States have very materially declined, on account of the abundant crops in prospect in that country; and there would appear to be no risk of undue price advances in this country if all export restrictions were lifted.

It cannot be said that there is any need in the United States for feed grain from Canada, for production there of corn and oats will be greater than the capacity of the present livestock population to absorb. That, however, does not mean that grain from Western Canada cannot be exported. A large deficit area in the Eastern United States, still has to bring in feed grain.

DIVIDEND NOTICES

Chesterville Mines Limited

(No Personal Liability)

Interim Dividend Notice No. 9

Notice is hereby given that an interim dividend of 5c (five cents) per share, payable in Canadian funds has been declared by the Directors of Chesterville Mines Limited, payable October 15th, 1948, to shareholders of record at the close of business October 1st, 1948.

By Order of the Board.

E. V. OAG,
Secretary-Treasurer.

Toronto, August 6th, 1948.

Taylor, Pearson & Carson (Canada) Limited

DIVIDEND NOTICE

Notice is hereby given that the ninth quarterly dividend at the rate of five per cent (5%) per annum in respect of all preferred shares of the company issued and outstanding will be paid to all holders of the preferred shares of record in the books of the company as of August 14, 1948.

The dividend will be payable at the head office of the company on September 1, 1948.

By Order of the Board.

J. G. FULLERTON,
Secretary-Treasurer.

Edmonton, Alberta,
August 5, 1948.

DIVIDEND NOTICE

BRITISH AMERICAN OIL COMPANY B-A LIMITED

PREFERRED STOCK

NOTICE is hereby given that a dividend of 23.4375c per share has been declared on the issued Preference Shares of the Company, being at the rate of Three and Three-quarters per cent (3¾%) per annum, for the third quarter ending Sept. 30th, 1948. The above dividend is payable in Canadian Funds, Oct. 1st, 1948 to shareholders of record at the close of business on the 3rd day of Sept. 1948.

H. H. BRONSDON,
Secretary.

Dated at Toronto, August 6th, 1948.

DIVIDEND NOTICE

BRITISH AMERICAN OIL COMPANY B-A LIMITED

COMMON STOCK

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on the issued No Par Value Common stock of the Company for the third quarter ending September 30th, 1948. The above dividend is payable in Canadian Funds, Oct. 1st, 1948 to shareholders of record at the close of business on the 3rd day of Sept. 1948.

H. H. BRONSDON,
Secretary.

Dated at Toronto, August 6th, 1948.

Helicopters Used in War On Pine Pests

From Our Own Correspondent

CALGARY — Helicopters have been used to spray the area between Banff, Alta., and Field, B.C., with DDT and Diesel oil, in an effort to kill lodgepole pine needle miner. Three plots of 20 acres each were treated, using different spray deliveries in each section.

The pests have been in outbreak in the Banff Park area since 1942 and first injury to the trees was noted at that time. They are tiny moths about a quarter of an inch in length and very narrow, with silver-grey wings. Larvae, when hatched, begin to mine the needles of pine trees during July and August. During the winter they remain dormant inside the needle, resuming feeding in the spring.

Although the pests will not kill the trees in one year, the present outbreak has reached a serious stage. In 1946 it was hoped that natural factors might stop some of the damages but this year, larvae mortality dropped to about 20%; and permanent injury is reported to trees in the Lake Louise area.

BOAC Irons Out Canadair Details

MONTREAL (Staff) — Negotiations on aircraft specification between Canadair and British Overseas Airways Corp. are now getting under way, The Financial Post is informed. Eighteen BOAC personnel have arrived in Montreal to iron out the various specifications details. According to terms of the contract for the 22 Canadair IV planes a specified period is provided for agreement on details.

Until these talks are completed Canadair will not be able to time its production or delivery schedules. Another month or so will be required before the company can start all-out production, it is stated.

C. R. MURRAY

has been appointed assistant freight traffic manager of the Canadian National Railways, in charge of rates, tariffs and divisions.

Gt. Lakes Paper Net Profit Up 18.8% in Half

An operating profit of $2,472,-351,—9.0% higher than the 1947 figure — and a net profit of $1,055,833, 18.8% greater than the comparable 1947 figure of $888,-951 is reported by Great Lakes Paper Co. for the first six months of 1948.

Net profit for the first six months of 1948 is equivalent to $5.35 on the combined Class A and B stocks (97,265 A and 100,000 B outstanding) and to $2.19 on the 400,000 common shares outstanding ($4.44 and $1.76 respectively for same 1947 period).

If the net profit is doubled to bring it to an annual basis, it would indicate earnings of $10.70 on the combined Class A and B shares and $4.38 on the common shares ($9.15 and $3.59 respectively for 1947). Doubling these figures may not be justified, due to changing conditions.

Actual results for the six months are:

Six Mos. Jan. 1 to June 30:	1948 $	1947 $
Operating profits (after provision for manufacturing cost, selling and administrative expense ..	2,472,351	2,268,026
Less: Int in bonds ..	106,675	82,075
Depreciation	480,000	408,000
Pension Plan	90,843	......
Income taxes	739,000	889,000
Net profit	1,055,833	888,951

Note: Figures subject to year end audit.

Famous Players 1948 Earnings Up

Earnings of Famous Players Canadian Corp. for the first half of 1948 are better than those for the first six months of 1947, President J. J. Fitzgibbons tells The Financial Post. Earnings are up again in July and in August to date.

So far this year, the company has opened six new theatres. It expects to have an additional eight in operation before the end of this year, three in Toronto and one each in Windsor, Halifax, Peterborough, Saint John and Port Arthur.

Work recently started on new theatres in Kelowna, B.C. and Moncton, N.B., Mr. Fitzgibbons states.

Seam-busting Chatham Gets Another Bus Line

CHATHAM—This thriving industrial city's third local bus system in two years recently went into operation. It's Chatham Coach Lines, operated by Ivan deNure, of Peterborough, Ont., with an investment in nine buses put at $75,000. Erection has started of a $15,000 Quonset hut garage for the buses, financed by the city; contractor All-Steel Buildings, Toronto.

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CCF Crown Corporations Return 3.48% Income Tax Would Almost Cancel Profit

By JAMES H. JOYCE

What is the record of Saskatchewan's CCF government in operating its government-owned industries?

Eight of its Crown companies covering 13 activities show an over-all net profit of $129,945 for the fiscal year ending March 31, 1947. This is after depreciation but does not include any income taxes. If income taxes had been charged on the profits at the 35% rate now applicable to private companies, the over-all net profit would have been reduced to $36,120.

The profit of $129,945 represents a return of 2.28% on the $5,465,553 of total advances to these eight companies by the Saskatchewan Government at March 31, 1947. It is a return of 3.48% on the average amount advanced of $3,734,329 for the year. ($2,003,104 was the total of advances at March 31, 1946).

Seven of its activities showed a total net profit, after depreciation but without any income taxes, totalling $268,072 for the 12 months ending March 31, 1947. They were Saskatchewan Fur Marketing Service; Saskatchewan Government Printing Co., Timber Board Division of Saskatchewan, Lake & Forest Products Corp., Clay Products Division of Saskatchewan Minerals, both the Trading and the Garage Divisions of Saskatchewan Reconstruction Corp. and Saskatchewan Transportation Co. (The Sodium Sulphate Division of Saskatchewan Minerals had not started operating in 1947).

Six activities showed a combined net loss totalling $138,127 in the same period. These were the Wool Products, Leather Products and Tannery Division of Saskatchewan Industries; the Box Factory and Fish Board Divisions of Saskatchewan Lake & Forest Products Corp. and Saskatchewan Reconstruction Housing Corp.

Distinct Improvement

The net profit is a distinct improvement over the losses totalling $12,197 for the period to Mar. 31, 1946. In that period eight activities showed losses adding up to $52,787; four showed profits aggregating $40,590. At the same time the tempo of their activities was substantially increased.

The improvement in net profits for these companies has continued since Mar. 31, 1947 according to statements for 10 of these old activities and one new one—Saskatchewan Government Airways—covering varying periods in 1947. While the periods are not comparable, the net profit of eight activities totals $352,-347; the net losses of the other three $78,396.

The actual record of net profits or net losses of nine Saskatchewan Crown Corporations is as follows:

RECORD OF NET PROFITS AND NET LOSSES

		Odd Periods since Mar. 31/47	12 mos. to Mar. 31/47	Period to Mar. 31/46
Sask. Industries	Dec. 31	$	$	$
Wool Prod. Div.	(9 mos.)	4,222	28,867(d)	11,457(d)
Leather Prod. Div...	(9 mos.)	520	12,563(d)	15,550(d)
Tannery Div.	(9 mos.)	3,203(d)	14,167(d)	not operating
Sask. Fur Marketing Service	Sept. 30 (6 mos.)	29,176	32,425	1,643
Sask. Gov't Printing Co.	Dec. 31 (9 mos.)	30,067	40,372	25,189
Sask. Lake & Forest Products Corp.	Oct. 31			
Timber Board Div..	(7 mos.)	236,975	26,993	3,607
Box Factory Div. ..	(7 mos.)	9,812(d)	12,845(d)	7,796(d)
Fish Board Div.	(7 mos.)	65,381(d)	34,505(d)	4,361(d)
Sask. Minerals	Dec. 31			
Clay Products Div...	(9 mos.)	13,932	604	770
Sodium Sulphate Div.			not operating	
Sask. Reconstruction Corp.				
Trading Div.		not given	125,469	12,988
Garage Div.		not given	6,027	1,452(d)
Sask. Reconstruction Housing Corp.		not given	35,180(d)	7,220(d)
Sask. Transportation Co.	Oct. 31 (7 mos.)	25,285	36,182	1,344(d)
Sask. Gov't Airways	Aug. 15 (to Oct. 31)	12,170	not operating	

(Three Crown Corporations are not shown on the above table. These are Saskatchewan Power Commission, Saskatchewan Government Telephones and Government Insurance Office.

Increasing Advances

To support the increased activities, advances to these corporations by the Government have shown an increasing trend. Advances to the activities shown in the above table totalled $5,465,553 at Mar. 31, 1947—more than double the total of $2,003,104 at Mar. 31, 1946. Indications are that the advances have increased since then, although the Government Finance Office has transferred back to itself profits totalling $349,629. These came to $34,068 from the Fur Marketing Service; $65,261 from the Printing Co. and $250,000 from the Timber Board Division of the Lake & Forest Products Corp.

A record of advances to these Crown Corporations shows as follows:

Government Advances

		Later in 1947 $	March 31, 1947 $	March 31, 1946 $
Sask. Industries				
Wool Prod. Division	Dec. 31	580,000	475,000	425,000
Leather Prod. Div...	Dec. 31	171,000	124,000	100,000
Tannery Div.	Dec. 31	152,500	142,500	75,000
Sask. Fur Marketing Service	Sept. 30	85,000	55,000	55,000
Sask. Gov't Printing Co.	Dec. 31	150,000	85,000	89,485
Sask. Lake & Forest Products Corp.				
Timber Board Div...	Oct. 31	1,350,000	1,220,000	250,000
Box Factory Div. ..	Oct. 31	278,903	153,903	55,300
Fish Board Div.	Oct. 31	661,650	536,650	241,290
Sask. Minerals				
Clay Products Div..	Dec. 31	275,000	275,000	237,029
Sodium Sulphate Div.		not given	190,000	not operating
Sask. Reconstruction Corp.		not given	600,000	200,000
Sask. Reconstruction Housing Corp.		not given	508,500	200,000
Sask. Transportation Co.	Oct. 31	935,000	1,100,000	75,000
Sask. Gov't Airways..	Oct. 31	60,000	not operating	

Lallemand Co. Bonds Offered

MONTREAL (Staff) — A new $800,000 issue of first mortgage series "A" bonds of Fred A. Lallemand & Co. was offered this week by Credit Interprovincial Ltée. at par and accrued interest. Proceeds will be used to pay the balance of the purchase price of the company, repay certain advances made subsequently to the company and to augment working capital. The issue consists of 3½%, 4% and 4½% serials.

Net earnings of the company in the last nine years before depreciation and income taxes have shown an increase from $92,356 in 1939 to $129,753 in 1947. Average net earnings for the nine years was $98,729, according to the prospectus.

Fixed charges and interest requirements on the new issue will amount to $34,455 in the current year. The series "A" bonds being offered represent a first mortgage charge on the fixed assets of the company in Montreal and at La Prairie which amount to $1,251,341.

Fred A. Lallemand & Co. was incorporated in 1947 to take over the assets and the business of a company of the same name which had been in business since 1915. Its factories at Montreal and La Prairie are engaged in the manufacture of fresh and dehydrated yeast, baking powder, malt syrups for domestic, pharmaceutical and industrial uses, malt extract and chocolate malted syrup.

Fewer Easterners For Alta. Harvest

From Our Own Correspondent

EDMONTON — Approximately 700 workers from eastern Canada are expected here this year, to help with the Alberta harvest, a reduction of about 100 from last year. Record number of easterners was 4,200 in 1942.

In the last six weeks, approximately 500 DP's have been been sent to the Lethbridge area, to aid in the sugar harvest.

Grain Prices

Winnipeg Grain Futures

Week to Aug. 9, 1948

Crop Year from Aug. 1, 1948 High	Low		High for week	Low for week	Close Aug. 9
		Oats			
.86⅛	.66⅜	Oct.	.77⅝	.72⅜	.77⅛
.81¼	.69⅝	Dec.	.74⅛	.70⅛	.73¾
.73⅝	.71⅛	May	.73⅝	.71⅛	.73¼
		Barley			
1.25¾	.96½	Oct.	1.09½	1.06¼	1.08⅜
1.10½	.98⅜	Dec.	1.04⅜	1.02⅜	1.03⅝
1.02⅝	1.00⅜	May	1.02⅝	1.00⅜	1.01⅜
		Rye			
3.05¼	1.60	Oct.	1.69¾	1.60	1.67½
1.99¾	1.55¾	Dec.	1.66½	1.55¾	1.64½
1.68	1.62¾	May	1.68	1.62¾	1.67¼

Cash Quotations

For Week

	Aug. 9 High	Aug. 9 Low	Prev. Week High	Prev. Week Low
Oats				
2 C. W. ...	.79¼	.76⅛	.82½	.74⅜
3 C. W. ...	.77⅝	.74⅛	.70⅝	.71⅛
Barley				
1 Feed ..	1.13⅜	.106⅜	1.15¼	1.10⅛
2 Feed ..	1.05¼	1.03⅜	1.05¾	1.00½
Rye				
2 C. W. .	1.67	1.62½	2.06	1.60½

Alberta Expects Record Rye Crop

From Our Own Correspondent

CALGARY — Alberta can expect the biggest rye crop in its history — probably near 10 million bushels — this year, Wheat Pool officials predict.

This is due to an increase of more than 50%, in acreage sown to rye — around 612,000 acres this year, against less than 400,000 in 1947. Prices were high until last spring, but have now dropped from a peak of more than $3.50 a bushel at country elevator points, to around $1.50. Nearly two thirds of the crop is fall rye, which has already been harvested in many parts of the province.

Alberta's previous record rye crop was 7,640,000 bushels in 1923.

Nanaimo-Duncan Util. Hearing Starts Aug. 16

Hearing of the appeal of the British Columbia Power Commission from the valuator's award in connection with its acquisition of the properties of Nanaimo-Duncan Utilities Ltd., and the company's cross appeal, will open Aug. 16, in Victoria, Company Secretary R. H. Tupper advises The Financial Post.

There is nothing to rumors in financial circles that an agreement may be reached between the company and the Government on a price for the property, Mr. Tupper also states. The company attempted to negotiate a settlement some months ago but without success.

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An Atomic 'Place in Sun' For Canada Seen Ready if Uranium Price Boosted

Is Canada "missing the boat" in the atomic energy field? Should the Dominion be paying a higher price for uranium oxide, the chief fissionable material?

A Toronto mining lawyer, J. R. Stirrett, thinks this is definitely the case. In a letter to The Financial Post, Mr. Stirrett declares that Canada has within its grasp, a more important place in the atomic sphere. This place, he says, can be achieved by greater encouragement of domestic mining of uranium.

The view is expressed that Canada has been too prone to follow the United States in all matters pertaining to atomic energy and that it is time for us to resurvey our atomic policy.

By J. R. STIRRETT

Are Canadian financial leaders aware that uranium is Canada's most valuable and important strategic mineral?

The answer to this question is given in the following verbatim reports of interviews with two representative leaders of mining finance in Toronto:

(To manager of Exploration Department of a large gold mine:

"Would your company be interested in expending money exploring for uranium?"

"Definitely not! Our company has several gold ventures under way at the present time, and our exploration funds are fully earmarked for these projects. Besides, we are afraid that if we did discover anything good in the way of uranium or thorium, the Canadian Government would take it away from us as they did with Eldorado and on a basis we would not be allowed to determine."

(To a Bay Street security distributor): "Would you be interested in promoting an issue of uranium securities?"

"I like uranium all right; and I've read a lot about atomic energy. But I can't see how I can make any money out of it."

"Do you think $2.75 lb. for the contained uranium oxide in the ore not enough money?"

"No, it is not. It is not equal to the U. S. price of $3.50 for the same quantity, and grade of material. But the U. S. price is not enough. These official floor prices mean that any uranium exploration company must discover the equivalent of the Eldorado mine before it can hope to make money; and I believe that the chances of discovering another mine of the grade and tonnage of Eldorado are remote."

"Do you think if your company did discover a new deposit of uranium you could count on getting more than the official price for your ore?"

"Yes. The official U. S. and Canadian prices for uranium are merely temporary floor prices and are affected by the prevailing price for crude uranium ores mined in the Belgian Congo. But my customers who buy mining securities do not realize this; and I can't afford to undertake the task of persuading them. Just now I would prefer to promote lead or copper mines because of the high prices for base metals."

"Would you consider uranium exploration if you had official assurances that you could reasonably expect to receive higher prices for uranium in the future?"

"Most gladly. For once, in the promotion game, the fantastic is the truth; and this magic quality about pitchblende and uranium makes uranium securities easy to sell, provided the official price is right."

The above-quoted answers are "representative samples" of the opinions and reasonings of leaders of Canadian mining finance.

What does uranium really mean to Canada? The answer is that uranium means political survival. It means political power and prestige, and it means economic wealth. Canada's present uranium policy does not take account of the power and wealth that uranium has brought and will continue to bring to this country.

Canada's importance politically today is due to her possession of thousands of tons of pitchblende ore at Labine Point on the subarctic shores of Great Bear Lake and to little else. In that respect, Canada is very similar to Belgium. Canada's atomic research at Chalk River is dwarfed by the gigantic atomic research enterprise of the United States. Just as in the atomic bomb itself, so in the atomic research, there is a "critical size" below which no chain reaction will result; and unless and until Canada commits her resources to atomic research to at least 10 times the present amount, she is merely an "also ran" in the atomic research race.

Uranium Means Strength

Canada's strength lies in the possession of her natural resources of uranium ore; she should amend her uranium policy accordingly. To expend millions merely in duplicating research which has already been accomplished behind the American atomic "curtain" is to throw away money and reduce Canada to the status of an atomic satellite or jackal.

The almost simultaneous announcement last March of the official prices of uranium oxide in Ottawa and Washington makes it self-evident, that the two governments are "ad idem" in their uranium policy. The official report of the U. S. Atomic Energy Commission for 1947 declared that the purpose of the A.E.C. was to accumulate a stockpile of uranium from "private sources." Inasmuch as the "private sources" of uranium within the boundaries of the United States are practically nil, it follows that Canada and the Belgian Congo are the "private sources."

A proper appraisal of the value of uranium to Canada, politically and economically, shows that Canada's uranium policy must be independent of the A.E.C. For Canada to sell her uranium supplies to augment the American stock-pile at the present price is to give away Canada's most precious and politically most powerful resource for a mere pittance. Moreover, once the reserves of ore in this Eldorado mine at Great Bear Lake are exhausted and have found their way in the form of concentrates or refined uranium oxide to the American stock-pile, Canada ceases to wield the influence she has gained in atomic politics. It follows therefore that Canada's uranium price should be greater and not less than the price paid by the A.E.C., that Canada should accumulate her own stock-pile at her own price for domestic uranium; and that this price should be sufficient to quicken private enterprise and private investors into the business of searching for new uranium deposits in the illimitable wastes of Canada's pre-Cambrian shield and elsewhere within the Dominion.

Value "Fantastic"

The intrinsic economic value of uranium is simply fantastic. All the nuclear physicists and atomic experts attest to this strange fact. A pound of uranium, as the experts have so often pointed out, is equivalent in heat-producing energy to 1,500 tons of coal. When it is asserted, therefore, that uranium is the most precious mineral on earth, more precious than gold or platinum or even than radium (of which it used to be a by-product) such assertions are the plain though astounding truth. The present floor price of $2.75 per pound for the oxide of this magic mineral is not realistic; and, in the interests of rapid exploration for it, Hon. C. D. Howe, Canada's atomic controller, should either establish a new price or call the leaders of Canadian finance into conference and give them private assurances of what the new price will be. It is not enough to indicate that higher prices, if necessary, will be paid.

Uranium and atomic energy are Canada's greatest public utility. Its possession surpasses the strategic value of battleships, submarines, rockets or even airplanes, valuable though all these weapons are. To continue to treat this magic mineral in the same class as lead or tin for mere stock-pile purposes, is to be blind to the first dictates of atomic politics; and to surrender for a mess of pottage our most precious mineral heritage.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

HUDSON'S BAY CO. shows a net profit of $368,525 for the year ending Jan. 31, 1948, as compared with ($161,539 for previous year).

An important change in the accounts for the current year is the conversion of Canadian assets and liabilities at $4.03 to £1 in place of $4.86 to £1, used hitherto. The effect of the change, which brings the company's policy into line with the Bretton Woods agreement, is to create a large stering balance (£826,439) on the net current assets existing at the beginning of the year, "which may never be realized, and which would disapear completely in the event (unlikely as it may be) that the Canadian dollar moved back to a rate of $4.86 to the £1." The profit for the year has been increased as compared with former years by this method of conversion, "but the Board's conservative financial policy insures that there is no overdistribution arising as a result of mere book entries or accounting procedures," the report states.

A second important change has been the transfer of the company's real estate (excluding fur trade posts and land department) in Canada to a wholly owned subsidiary company, Rupert's Land Trading Co. This was done to assist the administration of Canadian properties and to ensure that the tax advantages obtained in Canada were not lost in the United Kingdom. Rupert's Land Trading Co. has issued $5 million 2½% debentures which the parent company has guaranteed.

Total sales of the retail stores department constituted a record in value, although not in volume. The company is continuing its policy of developing the Interior Stores Division (smaller stores) so that they will eventually operate across the Dominion, it is stated. In the larger stores, particularly in Vancouver, Victoria and Edmonton, it is carrying out improvements. Of the goods sold during the year, 84.3% originated in Canada, 8.3% in the United Kingdom, 5.2% in the United States and 2.2% in other countries. (Some purchases from Canadian houses probably originated in the United Kingdom, it is stated).

Sales for 1947 in the wholesale department exceeded those for the previous year. Results of the land department are regarded as satisfactory, with 120,412 acres sold or placed under lease option during the year.

Activities of the fur trade department were successful and resulted in a substantial profit despite increases in operating costs, attributable largely to higher wage levels and the rise in cost of all essential equipment, it is stated. Sales policy has been geared to ensure maximum flexibility and speedy turnover to enable the department to take full advantage of market conditions.

CONSOL. INCOME ACCOUNT▪

Years Ended Jan. 31:	1948	†1947
Trade. profit	£1,883,294	£1,050,368
Land dept.	38,879	38,435
Net earnings	1,922,173	1,088,803
Less: Deprec.	226,150	230,000
Replace. res.	250,000	
Debenture int.	2,040	......
Pension fund	20,000	20,000
Deferred repairs	85,000	......
Taxation res.	970,458	670,000
Misc. exp.	......	7,264
Net profit	368,525	161,539
Less: Ordinary divds.	199,378	199,378
Less: Divds. tax	89,720	89,720
Surplus for year	258,867	51,881

†General income account.

Earnings per Share and Dividend Record:

	1948	1947
Ord.: Earned	14.79%	6.48%
Paid	8+*5	8+*5

*Paid out of land a/c.

CONSOL. BALANCE SHEET▪

As at Jan. 31:	1948	†1947
Cash	£2,266,804	......
Govt. secs., etc.	440,164	£824,673
Accts. rec.	2,627,497	1,118,796
Inventories	5,013,439	3,691,855
London premis. s.f.	52,283	33,422
Trade advances	565,836	879,418
Tax res. certifs.	344,000	619,450
Total curr. assets	11,310,023	7,167,614
Shs. & advances	45,190	1,050,856
Fixed assets*	3,994,929	6,376,207
Total assets	15,350,142	14,594,677
Bank overdraft	......	300,177
Other curr. liabs.	2,494,248	2,134,466
Total curr. liab.	2,494,248	2,434,643
Funded debt	1,240,695	......
Deferred liab.	161,885	99,760
Reserves	7,136,310	5,571,154
Depreciation	......	3,425,445
Replace res.	759,295	
Capital stock	2,492,224	2,492,224
Surplus	656,659	243,909
Land acct. surp.	408,826	327,542
*After depr. of	2,985,150	......
Working capital	8,815,775	4,732,971

†General balance sheet.

▪Canadian figures converted at $4.03 per £ in 1948, $4.86⅔ in 1947.

LES SERVITES DE MARIE new issue of $150,000 first mortgage 3½% bonds, dated Aug. 1, 1948 and due Aug. 1, 1949 to 1963, is being offered at par and accrued interest by Société Générale de Finance, Inc. of Montreal. The issue will be guaranteed by a first mortgage on the Order's property at Ayer's Cliff, Stanstead Co., Que.

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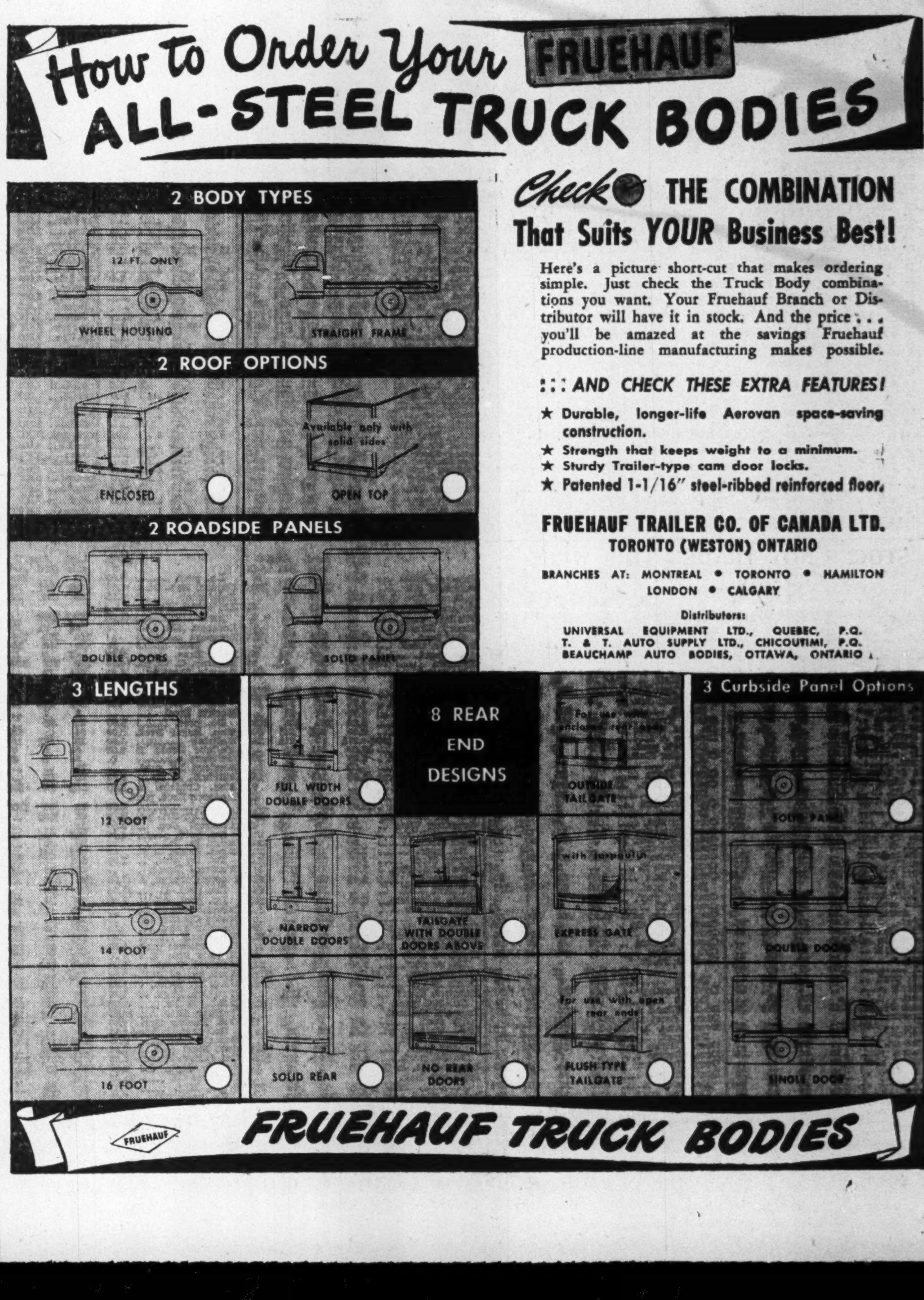


THIS WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING AUGUST 6

Range 1948 High	Low	Div R'te $	Aug 6 Y'ld %		Sales	Last July 30	Week end. Aug 6 H	L	Cl'se
19¾	12½	....	...	Abitibi N.	1985	17½	17¾	17	17¾
21½	17½	1.50	7.5	Do. $1.50 pref	1725	20¾	20½	19¾	20
102	98	5.00	4.9	Acad. At. 5% p	30	101½	101½	101½	101½
12¾	9	†.25	...	Acme Glove	50	12	11½	11½	11½
9	7½	.50	6.1	Agnew Surp.	325	8	8½	8	8½
59½	33½	...	...	Algoma Steel	326	49	49	48½	48½
25¾	24	1.00	4.0	Alum. of Can. p	355	25	25½	25	25
65½	43	2.00	3.3	Aluminium N.	1545	56½	60½	56	60½
10	6½	†.15	...	Andian Nat.	125	8	8	8	8
7¾	5½	.60	8.3	Argus	500	7	7½	7	7½
.75	.20	...	...	Do. warr.	200	.50	.50	.50	.50
30	24½	1.00+†.15		Asbestos	324	26	26½	26	26½

Range 1948 High	Low	Div R'te $	Aug 6 Y'ld %		Sales	Last July 30	Week end. Aug 6 H	L	Cl'se
27	21	1.00+†.75		Ford Motor A	940	24¾	25	24½	24½
32	23¾	1.00+†.75		Do. "B"	10	22½	32	32	32
25	19	1.40	6.4	Foundation Co.	60	22	23	23	23
62	42½	3.00+†.50		Fraser Cos.	485	59	59½	59	59
94	86½	4.00	4.4	Gair of Can.	20	90	90	90	90
20	17¾	1.20†+.10		Gatineau Pwr.	75	18¾	18¾	18½	18½
108	101	5.00	4.8	Do. pref.	110	103½	105	104	104
4	2½	.	...	Gen. Bakeries	900	2¾	2¾	2¾	2¾
17½	14	.80	5.0	Gen. St. Wares	75	15½	16	15¾	16
106½	99½	5.00	4.8	Do. pref.	10	105	103½	103½	103½
118	101	4.00+†3.00		Goodyear T.	85	110	115	110	110
53	49	2.00	3.8	Do. pref.	140	52	52½	52	52½

Range 1948 High	Low	Div R'te $	Aug 6 Y'ld %		Sales	Last July 30	Week end. Aug 6 H	L	Cl'se
101¾	97	4.50	4.6	Do. 4½% pref.	130	99	99	98½	99
28½	20½	1.00	3.7	Winnipeg El.	1705	27	27½	26½	27½
100	95	5.00	5.1	Do. pref.	55	98	98	98	98
8½	6½	.	...	York Knit. A N	25	6½	6½	6½	6½
45	34½	1.50	3.5	Zellers	275	43	43	43	43
27½	25¾	1.25	4.8	Do. 5% pref.	255	25	25¾	25¾	25¾
29	27½	1.50	5.4	Do. 6% pref.	45	27¾	27¾	27¾	27¾

†Paid or payable in 1948. xOn arrears. ‡Extras. •Paid in 1947. •Dividend deferred. ■Paid in 1946. ▲N. Y. funds. §Net after income taxes. ▲▲For each 20 shares held

Mining Stocks

Oil Stocks

Range 1948 High	Low	Div. Rate	Aug. 6 Yield %	Company	Sales	Last July 30	High	Low	Close
.16½	.08	.....	....	Princess P.	10,000	.11½	.11½	.11	.11½
.06	.02½	.....	....	Richfield	700	.03	.03	.03	.03
.49	.25	.....	....	Roxana	2,500	.33	.33	.32	.32
.15	.07	.....	....	Royal Can.	23,100	.08	.08½	.08	.08½
.19	.10	.....	....	So. Brazeau	8,000	.11½	.11	.10	.11
.70	.24	.....	....	So. West Pete.	100	.35	.30	.30	.30
.20	.12	.....	....	Spooner	90	.12	.12	.12	.12
.11	.08	§.01½	....	Sunset	34,600	.09	.11	.09	.10½
.34	.23	.....	....	Superior	8,000	.30	.30	.29	.29
.07½	.05	.....	....	Three Point	1,000	.05	.07½	.07½	.07½
.55	.20	.....	....	Turner V.	100	.40	.31	.31	.31
.15½	.06	.....	....	United Oils	1,625	.07	007	.06½	.07
.19	.12	.....	....	Vanalta	2,900	.14	.15	.14	.15
.36	.20	.....	....	Vulcan	2,083	.27	.26	.24	.26
.14	.05	.....	....	Warner	2,000	.12	.13	.12	.13
.10	.03½	.....	....	York Mills	3,000	.06½	.07	.06	.07

* N. Y. Funds. x Extra. ‡ Capital Repayment. ‡ Paid in 1947. ♦ Dividends deferred. § Paid in 1947. † Paid or payable in 1948.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Aug. 9	98,900	397,000	73,750	39,855	830,000
Aug. 7	......	......	.....	.....	....
Aug. 6	113,500	495,000	50,015	48,870	820,000
Aug. 5	294,600	573,000	64,615	39,060	1,070,000
Aug. 4	185,200	534,000	65,674	20,285	1,050,000
Aug. 3	65,600	415,000	64,310	20,957	860,000

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Aug. 6 Bid	Ask
...	1.60	25¾	..	25½
... pf.	1.00	17	17	17½
...in	†.75	25	25	35
...ile	.60	8	7½	10
... A	2.00	31½	10	31½
...	2.00	15	12½	20
... pf.	2.50	48	47	..
...on	.40	11½	11	13
...le A	1.00	15	15	17
... pf.	4.25	101	..	100
... pf.	7.00	605	..	..
...ur	1.60	30	28	30

	Div. rate $	Last sale	Aug. 6 Bid	Ask
Westeel	1.00+†1.00	32	32¾	33½
West. Brew.	1.60	19	18¾	19
West Grain	..	85	75	125
Do. pref.	..	34½	21	..
West Koot. pref.	7.00	172	166½	..
Westm'ter Pap.	.80+†.10	19½	..	..
Willson Stat.	..	750	700	..
Do. pref.	5.00	90	85	..
Wilsils	1.00	18	18	18½
J. C. Wilson	..	12½	12½	12¾
Windsor Hotel	..	9¾	9	10½
Wood, A. & J. P.				

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	8	4	4	9	13	8	16	14	8	16	100
(Base 1935-39=100)												
1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	189.8	216.9	113.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.3
Feb.	179.7	242.7	105.5	65.8	185.3	111.8	294.1	122.5	95.2	129.7	110.1	102.2
Mar.	185.9	243.7	104.9	65.2	186.6	109.6	289.7	121.4	98.4	127.8	107.4	101.5
Apr.	209.1	256.5	109.5	70.1	197.3	115.2	312.6	132.0	102.5	127.7	116.5	109.1
May	228.0	274.1	113.1	76.6	215.7	114.0	331.8	142.4	107.8	128.4	127.8	116.5
June	247.7	279.8	111.7	79.5	220.2	115.9	324.3	144.1	108.7	128.5	132.2	120.3
1948: Weekly Figures:												
July 2	240.4	275.4	113.7	77.6	220.8	114.3	323.1	140.2	107.5	128.6	129.2	119.2
July 8	239.8	277.6	110.5	77.4	224.9	116.1	315.1	140.5	107.5	129.4	127.3	117.7
July 15	237.5	278.8	110.2	75.6	224.3	115.0	320.8	139.8	107.1	128.7	126.9	116.9
July 22	230.3	273.7	110.2	73.9	219.5	116.7	310.3	138.9	105.3	125.7	124.5	114.9
July 29	226.7	273.8	111.3	71.2	219.8	115.4	307.1	138.1	105.7	126.7	123.3	113.7
Aug. 5	234.1	274.6	110.6	74.2	217.2	114.2	304.4	138.6	107.1	126.1	123.9	114.4

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Aug. 9	179.55	86.31	97.90	38.56
Aug. 7	.....	....	....	....
Aug. 6	180.34	86.70	98.29	38.77
Aug. 5	179.79	86.90	98.21	38.48
Aug. 4	179.38	86.80	98.52	38.84
Aug. 3	178.22	84.96	98.43	38.69
Month ago	184.01	84.92	100.26	41.27
Year ago	169.86	108.81	82.34	20.17
1948 High	191.44	104.68	103.93	48.11
1948 Low	149.13	83.97	77.67	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
Aug. 9	75.7	130.1	112.0	360.28	57.86
Aug. 7	...	....	....	.....	....
Aug. 6	75.7	130.1	112.0	361.96	57.95
Aug. 5	75.7	130.1	112.0	361.31	58.11
Aug. 4	75.4	129.6	111.5	360.41	57.84
Aug. 3	75.2	129.6	111.4	360.22	57.11
Month ago	77.0	134.0	115.0	375.21	57.28
Year ago	77.1	122.3	107.2	342.68	73.82
1948 High	77.7	135.4	116.0	384.80	74.92
1948 Low	70.7	108.0	95.7	290.26	56.43

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Aug. 9	183.26	60.45	34.82	68.20
Aug. 7	.....	....	....	....
Aug. 6	183.01	61.44	34.96	68.69
Aug. 5	182.92	61.19	34.83	68.56
Aug. 4	183.06	61.44	34.85	68.67
Aug. 3	180.98	60.23	34.62	67.81
Month ago	191.48	64.82	36.01	71.85
Year ago	178.98	47.91	35.35	63.78
1948 High	193.16	64.95	36.04	71.85
1948 Low	165.49	48.13	31.65	59.89

Dividends Declared

	This payment $	Date payable	Date of record
Acadia Atlantic A	.25	Oct. 1	Sep. 10
Do. pf. 5%	1.25	Sep. 15	Aug. 20
Agnew-Surpass	.12	Sep. 1	Jul. 30
Alum. of Can.	.25	Sep. 1	Aug. 1
Aluminium Ltd.	.50	Sep. 4	Aug. 6
Anglo Can. Tel. A	.15	Sep. 1	Aug. 6
Argus	.15	Sep. 1	Jul. 30
Do. 4½% pf.	1.12½	Sep. 1	Jul. 30
Asbestos	.25+.05	Sep. 30	Sep. 1
Aunor Gold	.05	Sep. 1	Aug. 10
Auto Elec.	.15	Sep. 15	Aug. 21
Do.	.15	Dec. 15	Nov. 20
Do. A	.12½	Sep. 15	Aug. 21
Bk. Candn. Nat.	.20	Sep. 1	Aug. 16
Bk. of Montreal	.20	Sep. 1	Jul. 31
Bk. of Toronto	.30	Sep. 1	Aug. 14
Barber Ellis	.25+.12½	Sep. 15	Aug. 31
Bathurst Pwr. A	.37½	Sep. 1	Aug. 3
Beaver Lumber A	.25	Oct. 1	Sep. 10
Do. pf.	.35	Oct. 2	Sep. 10
Beld.-Cort.	1.50	Oct. 1	Aug. 31
Do. 7% pf.	1.75	Oct. 1	Aug. 31
J. Bertram & Sons A	.25	Aug. 14	Jul. 31
Bordens	†.60	Sep. 1	Aug. 11
Bowes A	.12½	Aug. 15	Jul. 30
Brompton Paper	1.00	Aug. 11	Aug. 9
T. G. Bright	.25	Oct. 15	Sep. 30
B. C. Packers A	.37½	Sep. 15	Aug. 25
Do. B	.25	Sep. 15	Aug. 25
B. A. Oil	.25	Oct. 1	Sep. 3
Do. pf. 3¾%	.234375	Oct. 1	Sep. 3
Bruck Mills	.30	Sep. 15	Aug. 2
Burns & Co. A	.25	Oct. 25	Oct. 7
Do. Cl. B	.25	Oct. 25	Oct. 7
Can. Cement pf.	.32½	Sep. 20	Aug. 20
Can. Crushed Stone	.10	Sep. 20	Sep. 1
Can. & Dom. Sugar	.20	Sep. 1	Aug. 10
Can. Fdy. & Forg. A	.37½	Sep. 15	Aug. 27
Can. Iron	.40	Aug. 30	Aug. 15
Do. pf.	.30	Aug. 30	Aug. 15
Can. Malting	.50	Sep. 15	Aug. 14
		coup. 83-xc-14	
Can. Safeway pf.	1.12½	Sep. 1	Aug. 13
Candn. Brew.	.50	Oct. 1	Aug. 31
Candn. Car	.20	Aug. 23	Jul. 29
Do. A	.25	Aug. 23	Jul. 29
Can. Fairbanks-M.	.25	Sep. 1	Aug. 16
Candn. Food Pro.	.18¾	Oct. 1	Aug. 31
Do. "A"	.25	Oct. 1	Aug. 31
Do. 4½ pf.	1.12½	Oct. 1	Aug. 31
Candn. Ing. Rand	1.50	Sep. 28	Sep. 13
Can. Int. Invest. pf.	1.25	Sep. 1	Aug. 13
Candn. For. Inv.	.75	Oct. 1	Sep. 1
Candn. Ice Mach. A	.20	Oct. 1	Sep. 15
Candn. Oil	.30	Aug. 15	Jul. 15
Do. 4% pf.	1.00	Oct. 1	Sep. 1
Do. 5% pf.	1.25	Oct. 1	Sep. 1
Do. 8% pf.	2.00	Oct. 1	Sep. 1
Candn. Tire	.30	Sep. 1	Aug. 20
Candn. Utilities	1.25	Aug. 15	Jul. 30
Candn. W. Lumber	.10	Oct. 15	Sep. 17
Chartered Trust	1.25	Oct. 1	Sep. 15
Chesterville	.05	Oct. 15	Oct. 1
Cinzano 5½% pf.	2¾%	Sep. 30	Sep. 15
Commonwealth Int.	.05	Aug. 15	Jul. 15
Cockshutt Plow	.25	Dec. 1	Nov. 1
Chatco Steel	.25	Sep. 30	Sep. 10
Do. pf.	.25	Sep. 1	Aug. 16
Cochenour-Will.	.04	Sep. 1	Aug. 10
Cochrane-Dun. "A"	.20	Aug. 14	Jul. 31
Do. pf.	.30	Aug. 14	Jul. 31
Commoil Ltd.	.00½	Aug. 25	Aug. 10
Confed. Life 30% pd	1.50	Sep. 15	Sep. 10
Cons. Textiles	*.30	Sep. 1	Aug. 16
Do. pf.	.50	Dec. 1	Nov. 15
Corp. Invest. A & B	.08	Aug. 16	Jul. 30
Corr. Pap. Box	.25	Sep. 1	Aug. 12
Do. pfd.	1.25	Sep. 1	Aug. 12
Cons. Theatres A	.13	Sep. 1	Aug. 4
Consumers Glass	.50	Aug. 31	Jul. 28
Cosmos Imperial	.35	Aug. 14	Jul. 31
Cooksville A	.15	Sep. 1	Aug. 16
Crown Cork	.50	Aug. 16	Jul. 16
Davis Leather A	.37½	Sep. 1	Aug. 2
Do. B	.17½	Sep. 1	Aug. 2
Dom. & Ang. Inv. p	1.25	Sep. 1	Aug. 14
Dom. Bridge	.30	Aug. 25	Jul. 30
Dom. Scot. Inv. pf.	.62½	Sep. 1	Aug. 16
Dom. Stores	.37½	Sep. 15	Aug. 18
Dominion Tar	.25	Oct. 1	Sep. 1
Do. pf.	.25	Nov. 1	Oct. 1
Donnacona Pap., p.	1.12½	Aug. 16	Jul. 15
Donohue Bros.	.25	Sep. 1	Aug. 15
Eastern Steel	.15	Sep. 1	Aug. 14
Economic Inv.	.80	Oct. 1	Sep. 15
Eddy Paper A	.25	Sep. 15	Aug. 16
Fed. Fire Ins.	1.00	Aug. 16	Aug. 12
Fed. Grain Pf.	2.50	Aug. 15	Jul. 31
Ford A & B	.25+.25	Aug. 27	Aug. 6
Gair Co. Pf.	1.00	Sep. 1	Aug. 16
Gen. Steel Wares	.20	Aug. 16	Jul. 19
Gordon Mackay A	.12½	Sep. 15	Aug. 14
Do. B	.12½+.12½	Sep. 15	Aug. 14
Grafton A	.25	Sep. 15	Aug. 25
Gt. West Coal	.50	Aug. 14	Jul. 31
Gypsum, Lime	.25	Sep. 7	Jul. 31
Do.	.25	Dec. 1	Nov. 30
Hallnor Mines	.07	Sep. 1	Aug. 10
Ham. Cot.	.22½	Sep. 1	Aug. 10
Howe Sound	†.50	Sep. 15	Sep. 3
Hudson Bay M & S	1.00	Sep. 13	Aug. 13
Imp. Tobacco	.10	Sep. 15	Aug. 31
Do. 6% pf.	3%	Sep. 30	Aug. 17
Imp. Varnish	.20	Sep. 1	Aug. 20
Do. pf.	.37½	Sep. 1	Aug. 20
Intnl. Holdings	.60	Aug. 16	Jul. 15
Int. Nickel	†.40	Sep. 20	Aug. 23
Int. Utilities	†.25	Sep. 1	Aug. 12
Invest. Found. pf.	.75	Oct. 15	Sep. 15
Kerr-Addison	.03	Aug. 27	Jul. 21
Kerr Lake	†.05	Aug. 18	Aug. 4
Lake St. John Pwr.	2.50	Aug. 11	Aug. 9
Lake Shore	.18	Sep. 15	Aug. 14
Lake of Woods	.40	Sep. 1	Aug. 3
Do. pf.	1.75	Sep. 1	Aug. 3
Lamaque Gold	.10	Oct. 1	Aug. 12
Laura Secord	.20	Sep. 1	Aug. 2
Legare Co. pf.	1.50	Aug. 16	Jul. 23
Leitch Gold	.02	Aug. 16	Jul. 30
Loblaw A & B	.25	Sep. 1	Aug. 4
Lowlaw Inc.	†.20	Sep. 1	Aug. 6
W. H. Lowney	.25	Oct. 15	Sep. 15
Maclaren P. & P.	.50	Aug. 31	Aug. 7
Massey-Harris	.25	Sep. 15	Aug. 21
Do. pf.	.62½	Sep. 15	Aug. 21
McIntyre-Porc.	.50½	Sep. 1	Aug. 3
McLennan, McFeeley & Prior pf.	1.12½	Sep. 30	Sep. 20
Do.	1.12½	Dec. 31	Dec. 20
Monarch Knit.	.25	Oct. 1	Aug. 31
Do. 4½% pf.	1.12½	Oct. 1	Aug. 13
J. S. Mitchell	.75	Oct. 1	Sep. 15
Mtl. Cot. pf.	.44	Sep. 15	Aug. 18
Mtl. Locomotive	.20	Oct. 1	Sep. 3
Moore Corp.	.75	Oct. 1	Aug. 27
Do. 4% pf.	.25	Oct. 1	Aug. 27
Do. A & B 7% pf.	†1.75	Oct. 1	Aug. 27
Nat. Biscuit	†.40	Oct. 15	Sep. 9
Do. 7% pf.	†1.75	Aug. 31	Aug. 10
Nat. Drug & Chem.	.12½	Sep. 1	Aug. 13
Do. pfd.	.15	Sep. 1	Aug. 13
Wm. Neilson pf.	1.25	Sep. 1	Aug. 10
Neon Products	.40	Aug. 23	Aug. 5
Nat. Hose A	.15	Oct. 1	Sep. 3
Do. B	.15	Jan. 1	Dec. 3
Niagara Wire W.	.40	Oct. 1	Sep. 1
North West Brew.	.15	Sep. 30	unstated
Noranda Mines	.75	Sep. 15	Aug. 13
N. S. Lt. & Pr. 4% p	1.00	Sep. 1	Aug. 12
Do. 6% pf.	1.50	Sep. 1	Aug. 12
Ogilvie Flour	.25	Oct. 1	Aug. 27
Do. pf.	1.75	Sep. 1	Jul. 28
Ont. Steel	.25	Aug. 14	Jul. 15
Do. 7% pfd.	1.75	Aug. 14	Jul. 15
Page-Hersey	.40	Oct. 1	Sep. 15
Paton Mfg.	.20	Sep. 15	Aug. 31
Do. pf.	.35	Sep. 15	Aug. 31
Photo Engravers	.50	Sep. 1	Aug. 14
Penmans Ltd.	.75	Aug. 16	Jul. 15
Proprietary M.	.03	Sep. 8	Aug. 5
Provincial Trans.	.30	Aug. 16	Jul. 20
Purity Flour	.25	Sep. 1	Aug. 13
Quebec Power	.25	Aug. 25	Jul. 16
Regent Knit. Mills	.40	Sep. 1	Aug. 13
Do.	.40	Dec. 1	Nov. 12
Remington Rand	†.25	Oct. 1	Sep. 9
Do. pfd.	†1.12½	Oct. 1	Sep. 9
Robinson Cot. 4¼% p	1.06¼	Sep. 15	Sep. 1
Robinson, Little A	.25	Sep. 1	Aug. 14
Rolland Paper	.15	Aug. 16	Aug. 1
Do. pf. 4¼%	1.06¼	Sep. 15	Sep. 1
Royal Bk.	.25	Sep. 1	Jul. 31
Saguenay Pwr. pf.	1.07	Oct. 1	Sep. 8
St. Lawrence Pap.	1.00	Aug. 11	Aug. 9
Do. 1st pfd.	*1.50	Oct. 30	Oct. 11
Do. 2nd pfd.	*.60	Oct. 30	Oct. 11
Scythes & Co.	.19	Sep. 1	Aug. 12
Do. pf.	.31¼	Sep. 1	Aug. 12
Shawinigan W. & P.	.30	Aug. 25	Jul. 16
Do. 4% pf.	.50	Oct. 2	Sep. 2
Shea's Brew. A	.27½	Aug. 16	Jul. 31
Do. B	.75+.25	Aug. 16	Jul. 31
H. Simon & Sons	.30	Sep. 1	Aug. 2
Do. 5% pf.	.75	Sep. 1	Aug. 2
Simpsons A	.75	Aug. 25	Jul. 23
Do. B	1.50	Aug. 25	Jul. 23
Do. pf. 4½%	1.12½	Sep. 15	Aug. 13
Southam Co.	.25	Aug. 16	Jul. 16
South. Can. Pwr.	.30	Aug. 16	Jul. 20
Springer Sturgeon	.03	Oct. 5	Sep. 15
Stand. Chem.	.10	Sep. 1	Jul. 30
Do. 5% pf.	1.25	Sep. 1	Jul. 30
D. A. Stuart pf.	.20+.60	Sep. 1	Aug. 16
Taylor Pear. pf.	.12½	Sep. 1	Aug. 14
Teck-Hughes	.05	Oct. 1	Aug. 13
United Corp. A	.38	Aug. 16	Jul. 15
Do. B	.25	Aug. 31	Jul. 31
United Fuel "A" pf.	.75	Oct. 1.	Sep. 10
United Grain pf.	1.00	Sep. 1	Jul. 31
United Steel	.12½	Sep. 30	Sep. 20
Virginia Dare 5% p.	.31¼	Sep. 1	Aug. 18
Waite Amulet	.40	Sept. 10	Aug. 10
H. Walker-Good.	.37½	Sep. 15	Aug. 20
Waterous "A"	.20	Aug. 15	Jul. 31
Wellington Fire Ins.	1.75	Aug. 16	Aug. 12
Westeel	♦.50	Sep. 15	Aug. 25
Geo. Weston pf.	1.12½	Sep. 1	Aug. 13
Wool Combing	.40	Oct. 11	Sep. 25

†N. Y. funds. *Initial. ♦Extra.

Company Meetings

1948	Company	Place
Aug. 26	Wabasso Cotton	Three Rivers
Sept. 9	Bell Telephone	Montreal
Sept. 24*	Beauharnois, L. & P.	Montreal

*Adjourned from May 27.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
‡Ottawa Elec. Rly. 1st mtg. ser. A	2½%	1957	Aug. 12	101

‡All outstanding.

Bond Tenders

5 p.m., Aug. 17, 1948, City of Sherbrooke, Que.—$975,000, dated July 1, 1948, 2¾%, 3% and 3¼%, due serially from July 1, 1949, to July 1 1973, inclusively. Interest payable semiannually.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.15	4.54
Can. Int. Trust	4.90	5.25
Can. Invest. Fund	4.60	5.10
Can. Invest. Corp.	7.00	8.00
Commonwealth Int.	3.54	3.89
Corporate Invest.	8.60	9.25
Trans-Canada A	14.00	....
Do. B	....	14.45

Stocks Not Traded This Week (Continued)

	Div.	Last sale	Bid	Ask
Francoeur Gold	...	.11	.08	.11
George Copper	...	.07	..	..
Gold Crest	...	.10½	.10	.12
Gold Eagle	...	.03½	.03½	.04
Gold Lake	...	.01½	.01½	.03
Gold Pan	...	.18½	..	..
Goldhawk	...	.05½	.05	.07
Goodfish	...	.02½	.02	.04
Graham B.	...	.10	.10	.11¾
Grandoro	...	.13½	.13½	.17
Great Falls M.	...	.02	.02	.04
Grull Wihksne	...	.03½	..	.04
Hallnor Mines	.28	3.60	3.50	4.00
Heath	...	.06	.06	.09
Hoyle	...	.35	.26	.49¾
Hudson R.	...	.06	.06	.07
Int. Mining	...	4.75	..	..
Island Lake	...	.02½	.00½	.02
Jacknife	...	.03¾	.04	.05
Jacola	...	.02	.01	.03½
J. M. Cons. Gold	...	.03½	.02	..
Kerr Lake	†.05	.45	.40	.85
Kirk. Town	...	.14	.14	.16
Kootenay Belle	...	.10	.09	..
Lake Rowan	...	.07	.05	..
Lapa Cadillac	...	.04¾	.04¾	.05
Lebel Oro	...	.03½	.03	.03½
Lencourt	...	.06½	.06½	.07¾
Lunward	...	.10	.11	.13½
McFinley R. L.	...	.24	..	..
McGillivray C.	...	.12	..	..
McLellan Gold	...	.02	.01	.03½
McWatters	...	.12	.12½	.15
Mentor Exploration	...	1.00	..	.70
Mosher L. L.	...	.10	.10	.14
New Bidlamaque	...	.04¾	.05	.06
N. Louvre	...	.05	.01½	..
Newnorth	...	.03	.03	.03½
Nipissing	...	1.10	1.05	1.20
Norgold	...	.02	.02	.02¾
Normandy	...	.04	..	.03
North. Canada	...	.40	.38	.47
North. Empire	‡.10	1.50	1.00	..
Northland	...	.02½	.02½	.03
O'Leary	...	.11	.10	.13
Omega	...	.03	.03	.04
Orenada	...	.07½	.08	.09½
Pacific East	...	.05	.05	.08½
Pacific Nickel	...	.12	.10	.13½
Packsack	...	.02	.01½	.02½
Paramaque	...	.05	.04	.05
Parbec	...	.03	.02½	.03¾
Partanen Mal.	...	.01½	[illegible]	[illegible]
Payuka	...	.24	..	..
Pitt G.	...	.05	.05	.05½
Powell Rouyn V.	...	.50	.41½	.55
Prospectors Airways	...	.35	.30	.45
Quebec Gold	...	.25	..	.45
Que. Yk.	...	.08	.06	.09
Queenston Gold	...	.40	.41	.44
Red Cloud	...	.01	.00½	.02
Red Crest	...	.02½	.02½	..
Reeves McDonald	...	1.80	1.75	1.80
Renabie	...	2.60	..	2.75
Reno Gold	...	.06	..	.08½
Rice Lake	...	.01	.01	.02
Roche Long Lac	...	.04	.04	.06½
Rochette	...	.11	.09	.13
Ryanor	...	.06	.06	..
Scotia Gold	...	.01	.00½	.01½
Soma Dev.	...	.09	..	.10
S. American G.	*§.20	1.10	1.29	1.32
Standard G.	...	.10	.08	.10
Star Lake	...	.00½	.00½	.01
Steeloy	...	.05	.05	.06
Sturgeon River	...	.15	.15	.17
Sudbury Contact	...	.04	.04	.05
Sunloch	...	.10	..	..
Taku	...	.28½	.26	.29
Tiblemont	...	.10	..	.20
Toburn Gold	...	.62	.61	.65
Tombill	...	.06	.04½	.06
Towagmac	...	.06	.06	..
Vicour	...	.07	.06	.08
West Mal.	...	.07	.05½	..
Westville	...	.02	.02	.04
Winchester	...	.06½	.06¾	.09
Winnipeg R. Tin	...	.01	.00½	.01½
Winora	...	.04	..	.06½
Yuong, H. C.	...	.25	..	..
Yukon Cons.	...	.55	..	.55
—OIL STOCKS—				
Admiral	...	.05	.05½	.08
Advance	...	.03	..	..
Arrow	...	.10	..	..
Command	...	.16	.18	..
Commoil	†.01	.35	.35	.36
Federated P.	...	.27	.24½	.30
Lowery	...	.44	..	..
Marvel	...	.01	.00½	.03
Merland	...	.04	..	..
Mid Cont.	...	.07	.06½	.07
New Valley	...	.03½	..	..
Nordon	...	.13	.15	.21
Petrol Oil	...	.13	.12	.25
Richland	...	.04	..	..
Royal Crest	...	.01	.01	.05
Royalite	1.00	18.00	18.00	20.00
Share Roy.	...	.06½	.06¾	.08
Texas Can.	...	1.20	1.35	..
Vul. Brown	...	.14	..	.25
Wellington	...	.04	..	.08

§Paid in 1947. ‡Paid in 1946. *N.Y. funds. ♦Dividend deferred.

Unlisted Mines

Over-the-counter-Mining Stocks as of July 30th, 1948 (Subject to Confirmation and Change).

	Bid	Ask
[illegible]		
St. Ant n		12
St. Ant o		5
St. Jude		30
Starlight	2	3
Steebar Mal	½	1
Stewart A		15
Strathm're		30
Straw L B		3
Sudbury M		2
Sull Gold		30
Sull Bour		25
Sun Bear	4½	6
Sunset Yell	5	8
Superstit		25
Sulverite		20
S G Oils	3	
Tanaur		10
Tasmaque		10
Telgold		20
Templor		8
Terreb'ne		2
Terr Exp		75.00
Thib		5
Thomaque		15
Thornhill	1	2
Tiger Riv		30
Tiff Yell	1½	2½
Tobico	1½	2½
Tonaw'da		2
Torbec		10
Tovarich	¾	1½
Tower Pet	69	72
Tr Amer		1.00
Tr Can	3	5
Transter	1	3
Tresdor		18
Trident		13
Trifield P	27	30
Trimac		25
Trojan	3	5
Tromac		22
Tungold		20
Tyneside		25
Tyranite	10	15
[illegible]		
Rahill		10
Rainville	1	3
Rajah	13	16
Rambull	1	3
Randall Y		2
Rand Mal		15
Randona	4	6
Ranger	5	7
Ranney		30
Ranrouyn		5
Rare M P S		30
Raylartic	400.00	
Raymond T	2½	7
[illegible]		4
Wolaston		35
Wolfpack		32
Wood B T	5.00	
Woodhall		75
Wright R		20
Yalta		10
Yama Gold		10
Y Gold	1.25	
Yell V T	1.25	
Young D	18	20
Yeung Sh	3	5
Yukon Ex	10	15
Zakor		20
Zolata		25
Zonore		23

Municipal Bonds

Aug. 10, 1948

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria	3¾	'55-66	97½	100½	3.60
Vancouver	3	'67	93	96	3.27
Calgary	3½	'51-61	99	101	3.12
Edmonton	3½	'49-59	99	101	2.67
Regina	3	'64	92	95	3.39
Moose Jaw	3-3½	'60	97	99	3.27
Winnipeg	2¾	'66	93	96	3.03
Ottawa	3	'54	101	103	2.48
Toronto	2¾	'72	92	95	3.05
Hamilton	3	'53	101½	103½	2.25
Windsor	2½	'75	72½	75½	3.95
Quebec	2¾	'66	90	93	3.26
Halifax	3	'66	95	97	3.22
Saint John	3½	'65	100	103	3.27
Windsor	2¾	'75	76	79	4.00
Windsor	3½	'75	89	92	3.98
Montreal	3	'70	93	96	3.25

Market Comment

What stocks and bonds are doing and what prominent observers say.

Canadian and U. S. stock markets are continuing lethargic. Trading volume is said insufficient to meet operating expenses of most if not all brokerage firms.

The raising this week of interest rates on short-term government issues in the United States just added one more item contributing to the general uncertainty which remains the dominant factor in investors' minds. The other factors continue to be:

1. The international situation, and particularly the lack of any news as to the progress at the meetings of British, French and U. S. envoys with Stalin at the Kremlin.

2. The prospect of further inflation in the United States and in Canada.

3. The appearance of some soft spots amongst commodity prices in the United States.

The possibility of further wage demands being made against the U. S. railroads has been a factor holding down prices of their stocks.

Some analysts regard the progressive drying-up of volume as a favorable indication that the markets might be in good shape for a fair forward movement later this year, if the uncertainties tend to diminish.

* * *

J. L. GOAD & CO., Toronto.

The economy of the United States is at present receiving unprecedented stimulus from European recovery plans, armament preparations, and the remnants of foreign scarcity buying, comparable to what would be expected under wartime conditions. Notwithstanding this apparent fact, the American Government apears to have taken no effective measures to control the inflationary pressures this stimulus has created. Such measures would include a widespread restriction of credit, continuance of high taxation, and reduced public spending.

These factors cannot but prolong the present condition of boom for the whole North American continent. They mean a continuance of full employment, high wages, high costs of living and high corporate profits for another year at least. We do not gloat over these facts, for we are convinced that today's policies are sowing the economic problems of a year or two hence. Nevertheless, investors should see the situation, and take full advantage of it.

As for vehicles with which to benefit from the above conditions, we still favor the group of producing base metals. On a long-term basis, we advocate a gradual profit-making in the base metals, and an eventual conversion into better-class golds. We would suggest that more conservative investors consider the large retail oil companies. Profits from their record level of sales will become increasingly available to the shareholders as expansion plans are completed, and working capital requirements are met.

* * *

E. D. B. KIPPEN, Kippen & Co., Montreal.

The current stock market seems balanced between a number of powerful conflicting influences and it is bordering on the ridiculous to make any predictions as to its movements. In relation to current corporation earnings and high grade bond yields, good Canadian industrial shares do not seem to be overpriced. There are only a few signs of a downturn in business volume or profits and the outlook continues relatively clear over the Canadian industrial scene. Mounting inflation, however, is a matter of serious concern in thoughtful quarters. Inflation is building up a price structure which is fast becoming top heavy; this may give rise to serious repercussions later on, which would have an adverse effect on all departments of industry and business.

The two great imponderable elements affecting the market at present are, of course, the Russian-Western Allies relations, and the continuing inflation in this country and United States. So far as the Russian situation is concerned, there is not likely to be any decisive turn until after the American elections in November; any turn of events that gives promise of peace and continued prosperity will no doubt prove strong factors for higher stock market prices.

If a more robust investor confidence develops than now prevails, a considerable improvement over current prices might easily be seen. Such a change in sentiment might be brought about by improved foreign relations, or a combination of factors, including an improvement in this direction. The development of a more cheerful sentiment would quickly find expression in the market, but as to how and when this will come about is largely debatable.

We feel that the average investor will serve his own interests best by a realistic and conservative attitude under present conditions.

* * *

T. H. BAKER, A. M. Ramsay & Co., Toronto.

We wish we were an economist of note. Then this market comment could be written in such a manner as to ensure that, no matter what happened, our position on the fence would be secure. Not being an economist, let alone one of note, perhaps stock market problems, as seen by an ordinary 'bloker," maybe of interest.

Canada has not reached her present economic position through pessimism—nor through gazing at a crystal ball! Her position is due to the virility, optimism and proven judgment of many Canadians.

Many established companies such as International Nickel, Consolidated Smelters, Hudson Bay, McIntyre, Hiram Walkers, naming but a few all had to go through the embryo stage to actual operation, with all its relative pangs of birth and risk of survival.

Our comment is not concerned with the speculative or semi-speculative stock, but the investment type, such as those mentioned.

In the former group, it is true, timing is of the essence, and the important decision is "when to buy, when to sell." It seems to us, however, that this emphasis on timing, which has its place in speculative stocks, is being carried over, and unduly emphasized in the case of investment stocks. In this group, the TIME of buying is not nearly as important as WHAT is bought.

We believe too many of us buy stocks for a gamble. Too few of us buy for an investment.

For instance, Mr. and Mrs. J. Q. Public would rather buy 1,000 shares of X.Y.Z. Co. capital stock at $1.14 per share, than 10 shares of Consolidated Smelters at $114.00 per share. The latter a proven, well-managed concern, the former an unknown quantity.

It's inherent to gamble. But a good gambler knows and appraises the risks he's asked to undertake. The risk should have some relationship to the return.

Too many Canadians buy shares of a company, knowing nothing of the history, past or future. Indeed, in many cases even the location of the company is unknown to the prospective shareholders. They are buying the stock because it seems cheap.

We believe there are many factors which should be considered by every prospective shareholder. Management, product, earnings, dividends **PAID**, all should be scrutinized for a period of at least 10 years. Chief among these is the history of dividend payments.

Under certain conditions, the plowing back of earnings maybe justified. However, it is our opinion, too many companies are presently pursuing an unduly conservative policy regarding payments of dividends to shareholders.

We feel the history of dividend payments is of paramount importance in deciding whether or not a stock should be purchased.

First, this will give the buyer the key as to whether the stock is a good investment or a gamble.

Second, we believe past and present dividend payments will influence stock prices in the immediate future to a greater extent than has been the record during the past decade.

It is our opinion that, while it is impossible to eliminate risk, common sense, together with the fundamentals outlined, will do much to minimize "risk" when buying investment stocks.

* * *

BARRON'S: THE DOW ANALYST, New York.

Subject to confirmation or denial by future market events, the Dow-Jones industrial and railroad averages last week presented very faithfully the picture of what the late Robert Rhea used to call a 'buying spot." The latest identification of the major trend under the Dow method showed it to have been up. A secondary downtrend has been under way, but there has been a minor rally followed by a small decline, stopping short of the recent lows. Latest development is indecisive movements near those lows, with extremely dull trading. These all are the characteristics which Rhea ascribed to his 'buying spots."

Of course, the student of market movements under the Dow method can never be sure. He is not certain that the secondary downtrend was not the start of a new bear market, in which case selling spots, rather than buying spots, must be sought. And even the most perfect market formations have a way of doing the unexpected at the most inconvenient times.

Corporation Bonds

(Supplied by Investment Dealers' Asscation of Canada)

Aug. 10, 1948

	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Public Utility Issues:					
*Alg. Cen. H.B.R.	5	'59	63	66	63
†Assoc. Tel. & T.	5½	'55	109½	...	109½
Bell Telephone	3	'77	97	100	97
B.C. Electric	3½	'67	92	95	92
Calgary Power	3½	'72	96	99	96
East Kootenay	3½	'67	93½	96½	94
Gatineau Pr. D	3½	'70	98	101	98
†Do., C	3	'70	96½	...	97
Gt. Lakes Pwr.	3½	'67	95	98	95
Int. Hydro-El.	6	'44	67½	70½	67½
St. Law. Pr.	3½	'65	97	100	97
Maclare-Quebec Power	3	'69	95	...	95
Mtl. Trams. A	5	'55	98½	101½	98½
Nat. Lt. & Pr.	4½	'67	100	...	100
Nor. Que. Pr.	4½	'67	98	101	98
Ott. L.H. & Pr.	4	'57	100	...	100
Power Corp.	3½	'67	95	98	95
Quebec Power	3	'62	96½	99½	96½
Saguenay Pwr.	3	'71	98½	...	98½
St. Maurice Pr.	3½	'70	96½	99½	96½
Shaw W. & Pr.	3	'61	98½	101½	98½
Shaw W. & Pr.	3	'71	95½	98½	95
Do.	3½	'70	99½	102½	99½
Union Gas	4½	'50	99½	102½	100
Un. Fuel Invest.	4	'59	99	102	99
United Secs.	3	'52	98½	101½	98½
Winn. Electric	3½	'71	101½	104½	101½
Industrial Issues:					
Abitibi Pr. P.	3½	'67	96½	99½	96½
Acadia-Atlantic Sugar	3¾	'65	100	103	100
Aluminum Co.	3½	'74	101	...	101
Bathurst P. & P.	3¾	'68	98	101	98
B.C. For. Pdcts.	4	'66	92½	95½	92½
B.C. Pulp & P.	3½	'67	95	98	95
Bowater's Nfld. P. & P.	3½	'68	96	99	96
Brampton Pulp & Paper	3½	'66	94	97	94
Brown Co.	5	'59	101½	104½	101
Burns & Co.	4	'63	97½	100½	97½
Can. Steamship	3½	'57	101½	104½	101½
Can. Brews.	3	'62	92	95	92½
Can. Celanese	3	'62	96	99	96
Can. Oil	3½	'62	97½	100½	97½
Can. West Lum.	4	'62	100	103	100
Chatco Stl Prod.	4	'76	91	95	91
C.P.R.	3½	'51	102	105	102
Do.	4	'49	100½	...	100½
*C.P.R.	4	Perp.	105	...	105
Consol. Paper	3½	'67	100½	103	100½
Dom. Coal	4½	'52	100½	...	100½
Dom. Tar & Ch.	3½	'57	100½	...	100
Dom. Textile	3½	'59	101½	...	101½
Dom. Woollens	5	'64	100½	...	100½
Dryden Paper	4	'61	99½	...	99½
E. B. Eddy	3½	'66	95	98	95½
E. B. Eddy	4	'66	99½	102½	99½
English Elec.	4	'67	94½	97½	94½
Federal Grain	4	'64	97½	100½	97
Gt. Lakes Pap.	3½	'67	97½	...	97½
Imperial Tobac.	2¾	'66	96	99	96
Indust. Accept.	3½	'66	93	96	93
Lake St. J. P.	5½	'61			
Do.	5	'61	101	104	101
Lang, John A.	4½	'62	99½	...	99½
Laurentian Silk	4½	'67	99½	...	99½
MacMillan (H. R.) Export	4	'65	100½	103½	100½
Maple L. M.	3½	'63	98½	101½	98½
Massey-Harris	3	'66	92	95	93
McColl Fron.	3	'71	94	97	94
McCormicks	4	'52	99½	...	99½
Mercury Mills	4	'63	98	101	98
Monarch Knit.	4	'66	99	102	99
Morgan (Henry) Prop.	3½	'67	94½	97½	94½
N.S. Steel Coal	3½	'63	96½	99½	96½
Penman's	3½	'66	99½	...	99½
Price Bros.	3½	'66	99½	102½	99
Silv. Dairies	4	'60-64	97½	100½	97½
Do.	4	'71	93	96	93
Simpsons Ltd.	3½	'60	101½	104½	101½
Steel Co. of Can.	2¾	'67	93½	96½	93½
Toronto Elevat.	3½	'66	98	...	98
United Corp.	4	'58	100	...	99
United Steel	4	'60	98	101	97½
Untd. Grain Gr.	4	'63	99½	102½	99½
†Western Grain	5	'63	74	78	74
York Kt. Mills	3½	'71	90	94	90

*Payable in Canada or United States.
†Payable in Can., or U. K.
*Payable in United States.
‡Payable in Canada only.
§Payable in Canala or U. K.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Aug. 10, 1948

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	103	103¾
3	Mar. 1954	103¾	104½
3	Nov. 1956	103½	104½
3	May 1957	102½	103¾
3	Jan. 1959	101¾	102¾
3	June 1960	101½	102
3	Feb. 1962	100¾	101½
1¾	Nov. 1950	100½	100¾
3	Oct. 1963	100½	101
3	Sept. 1966	100½	101
1¾	Nov. 1949	100½	100¾
1¾	Nov. 1948	99¾	100½
Dom. of Canada Bonds:			
3½	Nov. 1941	100½	100¾
3½	Feb. 1952	102¾	103½
3	Oct. 1952	101½	101¾
3	June 1955	101¾	102¾
3	June 1958	101¾	102½
4½	Nov. 1959	103½	103¾
3½	June 1966	102½	102¾
3	Perpetual	99	99¾
4½	Nov. 1958	100½	101½
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959	100¾	101½
4½	Sept. 1951	*106	*107½
4½	Feb. 1956	*111	*112½
4½	July 1957	*113	*114½
5	Oct. 1969	*107½	*109
5	Feb. 1954	112	113½
5	Feb. 1970	*108½	*109½
4¾	June 1955	*112½	*113½
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	*111½	*113½

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*99½	*101½
4	Jan. 1962	*110	*112½
Montreal Harbour Comm.:			
5	Nov. 1969	*107½	*109
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/64	100¾	102½
3½	June 1959	104½	106¾
3½	June 1950/72	101¾	103½
3½	June 1950/71	100¾	102½
British Columbia:			
2¾	Jan. 1967	94½	95¾
3	Dec. 1960	98½	100½
4½	Jan. 1969	124	126½
4	Dec. 1957	113¾	116½
5	Apr. 1954	119¾	122½
5	Sept. 1953	108½	109¾
Manitoba:			
4	Dec. 1957	113¾	116½
4½	Dec. 1956	117	119½
5	Dec. 1958	125	127½
2¾	Aug. 1962/64	94½	96½
5½	July 1958	117½	119¾
New Brunswick:			
4½	Apr. 1961	115¾	118½
5	Jan. 1960	117¾	120½
2¾	June 1966	91¾	93
3½	Mar. 1958	99¾	101
Nova Scotia:			
3½	June 1956	102½	104
4½	Nov. 1960	120	122
5	Mar. 1960	125	127½
3	June 1956/58	99¾	101½
2¾	Sept. 1966	93¾	95½
3½	May 1960/62	100½	101¾

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69	94¾	96
3	Apr. 1962/65	99½	100¾
3½	May 1952/55	102½	103¾
4	June 1962	119½	121¾
4½	June 1950	103¾	104¾
4½	Jan. 1962	125	127
5	Oct. 1948	100½	101½
5	Dec. 1960	130½	132¾
2¾	July 1967/76	93	95
Ont. Hydro Commission:			
4	Aug. 1957	116½	118¾
2¾	June 1961/71	94	95½
2¾	Oct. 1956/68	94½	95¾
Prince Edward Island:			
4	Mar. 1951/54	101½	103½
Quebec:			
3¾	Mar. 1954/59	103½	104¾
3¾	Feb. 1952/55	103½	104¾
4½	Aug. 1958	109½	110¾
4½	Jan. 1963	113¾	115½
3	Feb. 1960/62	100½	101½
4	Nov. 1950/52	103	104½
Quebec Hydro Commission:			
3	Feb. 1969/73	97¾	99½
Saskatchewan:			
4	Nov. 1955/60	99¾	101½
5	Aug. 1958	106½	108½
4½	Mar. 1960	107½	109¾
5	Dec. 1959	110½	113
5½	Oct. 1952	104¾	107½
6	Mar. 1952	105¾	108½
3	Mar. 1963	91¾	93½
3½	Nov. 1960/62	93	95
3¾	Feb. 1960/62	98½	100

*New York funds.

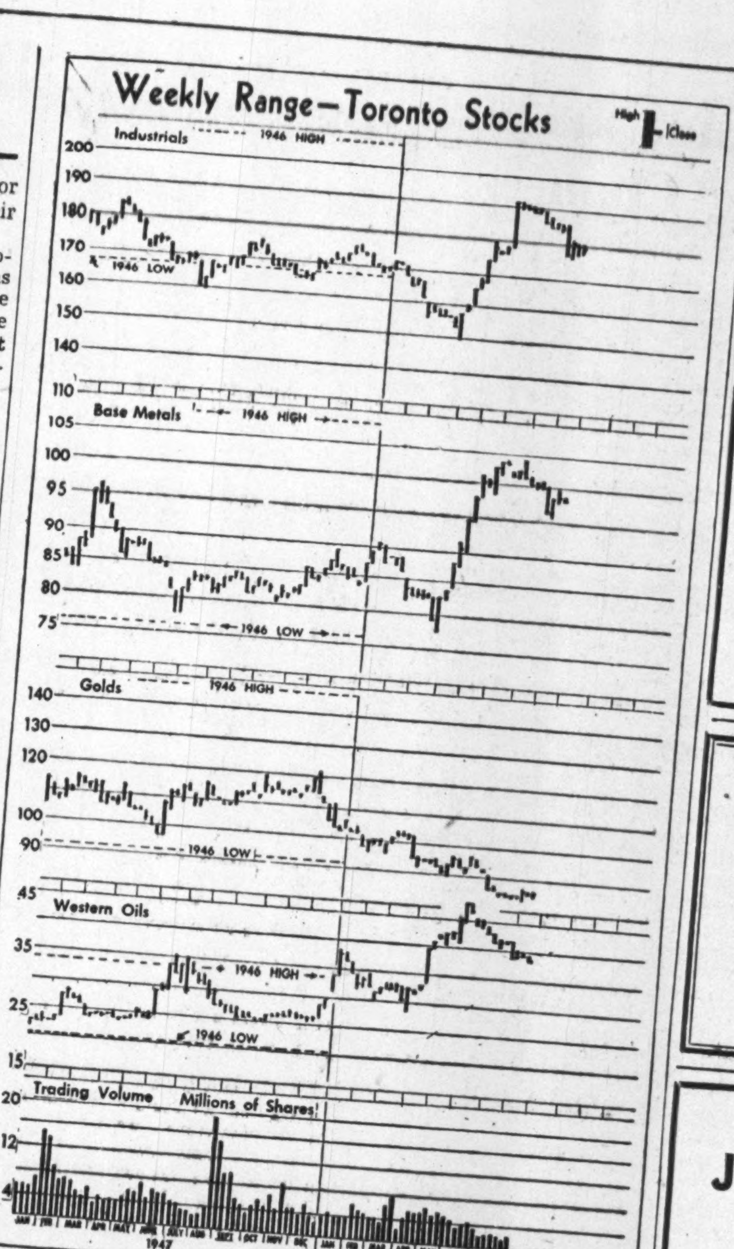
Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Intercity Securities Corp. and Kamm, Garland & Co.)

Aug. 9, 1948

	Bid	Ask.
Allens Toronto units	40.00	....
Anglo Can. Telephone A	9.50	10.75
Do. pfd.	46.00	47.50
Beauharnois L. H. & Pwr.	19.75	20.75
Beauharnois Power	7.00	....
Brandram Henderson	15.00	....
British Mtge. & Trust	185.00	200.00
B. C. Sugar	85.00	89.00
Brockville Trust $50 par	60.00	....
Can. Investment Fund	4.60	5.10
Can. Investors Corp.	7.00	8.00
Canadian Motor Lamp	12.25	13.25
Can. Silk Products A	23.00	25.00
Can. West. Nat. Gas pfd.	18.50	19.50
Capital Wire Cloth com.	11.50	....
Do. pfd.	24.00	....
Cardy Corp. A	8.00	9.50
Cawthra Apts. units	8.00	....
Chase A. W. units	49.00	....
Colonial Steamships com.	97.00	....
Commercial Life 10% paid	8.00	....
Commonwealth Inter. Corp.	3.55	3.90
Confed. Life 30% pd.	160.00	....
Continental Life 20% paid	43.00	....
Cooksville A	11.00	12.00
Do. B	4.00	5.00
Corp. Investors	8.55	9.20
Cuban Can. Sugar com.	4.00	5.00
Detroit Inter. Bridge	12.50	14.00
Dover Industries Ltd.	11.00	12.00
Dunlop Tire pfd.	24.50	26.00
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25% paid	17.00	19.00
Do. 20% paid	14.50	....
Fed. Fdries & Stl. new c.	.50	.75
Foreign Power Co.	4.00	7.00
Foreign Power Sec. pfd.	4.50	6.00
Galt Brass com.	32.00	....
Goderich Elev. & Trans.	15.00	16.50
Great West Life	340.00	370.00
Guardian Realty pfd.	46.00	....
Guaranty Co. of N. A.	385.00	....
Guelph & Ont. Svgs. $50 p.	60.00	....

	Bid	Ask
Gurney Foundry com.	42.00	....
Halifax Ins.	10.00	12.00
Hart Battery com.	8.25	9.50
Hartz, J. F. A	9.50	10.50
Imperial Life	330.00	355.00
Lambton Loan $50 par	82.00	87.00
Laprairie com.	4.00	6.00
Do. pfd.	....	98.00
Loblaw Groc. Inc.	19.00	20.00
Manufacturers Life Ins.	340.00	360.00
Monarch Life 30% paid	93.00	....
Monarch Mtge. units	4.75	5.75
Mountainview Apts. Pfd.	19.00	....
Nat. Drug & Chem. c. new	7.25	8.00
Do. pfd.	11.25	12.25
New Bruns. Telephone	13.00	13.75
Northern Tel. com.	2.00	2.75
Old Comrades Brewery	2.25	2.75
Ont. & Que. Ry. 6% cap stk	140.00	....
Peller Brewing com.	5.00	6.00
Do. pfd.	19.00	21.00
Provincial Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Quality Steels com.	.50	.75
Sawyer Massey com.	1.50	2.50
Seiberling Rubber com.	5.00	....
Sincennes McNaught. Tugs	2.25	....
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	37.00	42.00
Standard Fuel pfd.	42.00	45.00
Do. com.	2.50	....
Sun Life Assce.	505.00	525.00
Third Can. Gen. Inv.	3.90	4.15
Toronto General Ins.	6.00	8.00
United Farmers Co-op.	2.50	4.50
United Steel A pfd.	24.50	26.00
Victoria Trust & Svgs.	134.00	....
Waterloo Mfg. com.	6.25	7.25
Western Assurance com.	62.00	66.00
Western Grain com.	.75	1.25
Do. pfd.	20.00	23.00
York Trading com.	11.00	13.00



New Highs & Lows

During the week ended Aug.7, 14 new highs were recorded among the general stocks on Canadian Stock Exchanges and eight new lows. In the mining group there were six new highs and 27 new lows; two new highs and two new lows among the western oils.

GENERAL

New Highs—1948

Auto Elec. Ser.; B.C. Packers B; Can. Cement pfd.; Can. Bronze pfd.; Can. Ing. Rand.; Cons. Textiles; Dom. Tar pfd.; Ford Motor B; Guaranty Trust; Indust. Accept. A; C. W. Lindsay; Nat. Hose. A; Do. B; St. Law. Pap. 2nd pfd. n.

New Lows—1948

Brewers & Distil.; Cassidy's pf.; Dom. Bank; People's Cred. Sec.; P. L. Robertson; Shirriff's pfd.; Tooke Bros.; Union Gas

MINING

New Highs—1948

Golconda; New Calumet; New Jason; Normetal; North Inca; Waite Amulet

New Lows—1948

Astoria Que.; Berens River; Brewis R. L.; Buffalo Ankerite; Candego; Citralam; Crowshore; Discovery; East Malartic; Goldbeam; Gulf Lead; Indian Lake; Jack Waite; La Luz; Lynx Y'ke.; Magfie; McIntyre; N. Marlon; N. Rouyn; Ogama; Powell Rouyn; Privateer; Que. M'gese; Temiskaming; Thompson; Vananda '48; Wekusko

OILS

New Highs—1948

Sunset; Three Point

New Lows—1948

Anaconda; S. Brazeau

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$21.24	$21.25	$14.24
Hogs	31.10	30.85	22.35
Copper, lb.	.23½	.21½	.21½
Sugar, raw, lb.	.0530	.0525	.06185
Coffee, lb.	.26⅝	.26⅝	.24⅝
Hides	.28	.30	.29
Weekly Indices			
U. S. Labor	168.3	168.2	151.3
Dow Jones	149.89	150.61	146.11
Fishers	175.5	175.6	160.8
Monthly Indices			
Retail (July)	156.9	154.3	135.9
W'sale (June)	151.9	150.0	128.0
U. S. (April)	162.7	161.4	147.7
Gt. Brit. (May)	220.4	219.3	189.1

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments. Offerings of Corporations and Foreign Securities

MUNICIPAL

Village of Acton, Ont.—3% debentures, due Aug. 2, 1949-53 $17,000, issued July 8, 1948. Sold at $100.09 to J. L. Graham & Co. Ltd.

Town of Yarmouth, N.S.—3% and 3¼% debentures, due Aug. 1, 1949-63, $115,500, issued July 28, 1948. Sold at $101.32 to Wood, Gundy & Co. Ltd. and Bank of Nova Scotia.

County of Pictou, N.S.—3% and 3¼% debentures, due July 1, 1949-63, $50,000, issued July 29, 1948. Sold at $100.84 to Royal Securities Corp. Ltd. and Royal Bank of Canada.

Town of Parkhill, Ont. — 3¼% debentures, 20-year installments, $95,000, issued July 31, 1948. Sold at $99.77 to Anderson & Co.

Les Servites de Marie—3½% first mortgage bonds, due Aug. 1, 1949-63, $150,000, dated Aug. 1, 1948. Sold at $100 plus accrued interest to Societe Generale de Finance, Inc.

PREFERRED STOCKS

Silverwood Western Dairies — 5,000 shares, 5% cumulative redeemable preference shares (par value $100). Offered at $98.50 to yield 5.07% by McLeod, Young, Weir & Co. Ltd.; R. A. Daly Co. Ltd.; Pemberton & Son, Vancouver, Ltd. and Sydie, Sutherland & Driscoll, Ltd.

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Western Oil Expansion "Only Starting" Easterners Seen Missing Big Chances

By GORDON M. GRANT

CALGARY (Staff) — Western Canada—North America's last great "happy hunting ground" for oil—has finally begun to pay off in a major way. But success to date will hardly hold a candle to what can be expected.

That is the unanimous opinion of leading western oil executives as expressed to The Financial Post in a series of personal interviews. Many of them, however, express keen regret that eastern Canada capital is not participating to a much greater degree in the western oil boom, a boom based on a half million square miles of land favorable for oil, a satisfactory tax structure, and actual oil itself.

Nearly a million dollars a month is being spent on the exploration phase for oil alone. With 64 geophysical survey parties at work alone (150% more than in 1947), there is every indication that exploratory well-drilling levels next year will far exceed present unparalleled drilling program.

Here is how western oil men assess the situation:

* * *

WALKER TAYLOR, Manager, Producing Department, Imperial Oil:

"The unprecedented level of exploratory drilling in search for oil in Western Canada has been the logical outcome of the discovery of a major oil field such as Leduc—a field considered by some authorities to have recoverable reserves of 200 million barrels of oil underlying some 20,000 acres. Conditions that created Leduc must almost certainly have been duplicated elsewhere under the extensive Prairie Plains; the question is where.

"We believe that there are other fields similar to Leduc waiting to be found and that we—and others—will find them. It had been hoped that by this time another field might have been located. Nevertheless the fact a second field has yet to emerge is neither surprising nor does it diminish our confidence in the chances for finding such fields. No "pattern" has been established for potentially oil bearing reef structures such as Leduc. When and as a second Leduc field is found, it is quite conceivable that still further fields may then become easier to find.

"Drilling in the Leduc field proper continues to be attended by very favorable results. After spending $23 millions in the search for Western Canada oil, Imperial has finally established a field of major proportions. This field is destined to play a major role in Prairie economics — and provides all the incentive that should be required for location of similar fields under the vast favorable terrain of Western Canada."

* * *

J. GRANT SPRATT, Managing Director, Anglo-Canadian Oil Co.:

"After many years of struggle, Alberta's future as an important oil and gas-producing region now appears assured. Recent discoveries coupled with increasing needs for petroleum products, plus the intensive exploration and development now under way by American and Canadian oil companies, indicate that the industry will play a major role in improving Canada's economic and strategic position.

"In exploratory work, the risks are great and the disappointments many. However, the rewards can also be sufficient to justify the effort. If Canada is to receive her share of the rewards Canadians must also assume their share of the risks involved and our governments maintain a sound administrative policy with respect to these resources."

* * *

HAROLD F. HERRON, Vice-president, Okalta Oils:

"We have been in the western oils business since 1911. But we are convinced that the oil business here is only now coming into its own.

"With the development of Leduc—the first of many such fields expected to be found in Alberta—and with the fine prospects already demonstrated for a new field at Pincher Creek, the oil industry is forging ahead at an unprecedented rate.

"Exploration and development is only now beginning to reach the levels the possibilities warrant. The big American companies see the possibilities here and are moving in with their exploration parties. The opportunities are also here for Eastern Canada capital if they will grasp the opportunities that are presented to them today."

* * *

RALPH M. SMITH, President, General Petroleums:

"Alberta is one of the world's 'hot spots' in oil exploration. The present tempo of development is only limited by shortages of men and equipment.

"We expect this year to find two or three of nature's hiding places for petroleum products, and/or duplicate, Turner Valley, Leduc or Lloydminster.

"Big and small companies alike share the generous western spirit, which makes our growing store of geological information available to serious-minded newcomers.

"Huge amounts of American capital are available, but there is also opportunity for the idle risk-capital of our larger Canadian mining companies."

G. T. WRIGHT, Vice-president, Commonweatlh Petroleum.

"We are quite optimistic over the possibilities of Lloydminster because of the things in the oil. At present this oil is selling at a very cheap figure indeed. There are possibilities of processing it and taking much higher values out of it, we know.

"The present proven area of Lloydminster means there will be a great expansion of output. There is no doubt that this field, in due course, will prove one of our great western sources of oil."

R. C. CARLILE, Carlile & McCarthy, brokers:

"From the shareholders' point of view, the oil picture in Alberta has developed most favorably in the year and especially during this spring when the 10,000-barrel-a-day capacity of Atlantic No. 3 convinced outside investors in the Leduc field. New York bought heavily into Home, C. & E., and Anglo-Canadian.

"Some of the small independents are either paying, or are likely to pay dividends—e.g., Central, Globe, East Leduc and Leduc West. But for the last two or three months, the oil market has lagged behind the industrials. Good news is almost neglected by shareholders, after Home's good Leduc well and Central's additional two.

"The oil market, however, could be quickly started upward out of its lethargy. Sixty-four geophysical parties surveying the province followed by new wells, justify these expectations. Any day the Gulf well at Pincher Creek may announce success; in New York many oil men expect another Turner Valley."

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FP-36

Lumber Camp Labor Treks Hit MacLeod

Loss of labor to lumbering camps in the Long Lac and surrounding districts has restricted operations at MacLeod-Cockshutt Gold Mines to some extent in recent weeks, The Financial Post learns. A fairly steady milling diet of around 550 tons daily and a grade of ore averaging above $9 a ton, however, is enabling company to break about even on dollars.

Regardless of cost aid cheque of approximately $61,000 for first six months of 1948, and further assistance anticipated for the September quarter, it is the understanding that MacLeod will probably experience a loss in fiscal year ended Sept. 30, 1948. (Net loss was $126,077 in previous fiscal year.)

Bright spots in current operations have been the improvement in ore grade on the bottom level and in average value of ore running through the mill. Lateral work on the 13th level has given the management considerable encouragement in recent weeks and development advances so far suggest a sizeable tonnage of higher-than-average mine run of ore. Earlier drilling indicated a cut grade of $15.50 across an average width of 13 ft.

An improvement was noted in the grade of ore milled during the June quarter, but tonnage treated was lower and bullion production fell off moderately. However, with mill currently treating around 550 tons of ore daily, and grade in neighborhood of $9 a ton, it is expected that production will show an upward trend in the current quarter.

MacLeod-Cockshutt has applied for 20 D.P.'s in next arrival of displaced persons from Europe in effort to offset movement of workers to lumbering operations. The company had a full complement of workers last December when the mining industry gengenerally applied for D.P's.

New Jason Mines Opens Three Veins

Lateral work on the seventh level at New Jason Mines has opened close to 600 ft. of ore length in three shoots south of the former production area. The first shoot gave a length of 65 ft. and average grade of $9.45 gold per ton. The second ran $11.90 across 28.5 in. for length of 180 ft. and the third, a continuation of the second, has shown a length of 235 ft. to date and average grade of $28 across 22 in.

A crosscut westerly from the 700-ft. level is reported to have cut three additional veins, but sufficient work has not been done to assess ore making chances.

Snow Lake Working Radioactive Zone

Completion of three x-ray drill holes and surface exploration by Snow Lake Gold Mines have indicated an average width of some 250 ft. to the radioactive zone at Radium Lake, Man., Manager John Nutt states. The formation consists of pink feldspar, containing hornblende, tourmaline and other minerals.

The initial hole was abandoned at 58 ft. with mineralization carrying to that depth. Hole No. 2 showed heavily mineralized core containing some sections of pegmatite. Hole 3, for the entire 123 ft., showed mineralization with sections containing pegmatite and quartz. Core has been shipped for analysis.

Hard Rock Hits A New Ore Body

Drifting, drilling and stoping on the 4th, 5th and 6th levels at Hard Rock Gold Mines have indicated some 260,000 tons of $5 to $6 ore and raised hopes considerably of extending the life of the mine for some time, The Financial Post understands.

Full extent of the new discovery has not been ascertained, but so far the ore body has a known length of 1,000 ft. across 30-ft. width and is open both east and west.

The company plans utilizing both milling plants to treat 500 tons of new ore daily as soon as stopes are prepared.

Preston Cost Aid Maintain Profits

The estimated Government cost aid of around $140,000 for 1948 is expected to enable Preston East Dome Mines to offset higher operating and supply costs and leave final earnings little changed from $210,008 net profits realized in 1947, The Financial Post understands.

The company is making rapid progress in exploring the north greenstones on the 12th, 17th and 19th levels. Development so far indicates ore shoots coming in at about the 12th level, but improving in grade and widths as depth is reached.

Development of the north greenstones so far suggests the possibilities of an important ore source being developed. Work accomplished in this new area and on upper levels points to perhaps a 10% increase in ore reserves for the mine this year.

The mill is currently treating in the neighborhood of 650 tons of ore daily with bullion production kept on a well regulated basis. Labor supply is adequate.

D.P.'s in Mining Camps Said Doing a Good Job

Three of the 2,144 displaced persons brought into Canada's mining camps — under direction of the International Refugee Organization — have left their jobs.

That's the amazingly small employment mortality record showing on the rolls of Canadian gold and base metal producers and senior prospects. One of the three former employees left to spend two years in prison for robbery. The other two have returned to the professional field, one as editor of a western newspaper and the other as a research engineer with Imperial Oil (both given special permission for transfer).

Some 40 other D.P.'s, brought into the country since commencement of the scheme in December, 1947, were found entirely unsuited for constant underground operations and were transferred to other phases of the mining industry.

A Financial Post spot check with various mining executives, employing the D.P.'s, and discussions with heads of the Canadian Metal Mining Association, who have the job of placing the new arrivals, found only commendation for the scheme and for the quality of work being done by the men. The only complaint is that there are not enough D.P.'s to go around. Authorities estimate that not more than 10% to 15% of the men now employed will leave the industry, after completion of the 10 months period, date after which salary deductions for transportation are refunded.

Some 78 persons still remain to be brought into Canada under the recent screening for the mining industry. However, there are applications on hand for 450 D.P.'s and underground jobs available for at least another 50.

The movement of D.P. dependents and close relatives gets under way Sept. 1 when special passenger priorities go into effect from German ports. The cost of transporting dependents from German ports to debarking point in Canada, it is understood, will be defrayed by the IRO. Close relatives will pay their own way.

The responsibility of paying fares of dependents from eastern seaboard ports to the various mines lies with the former D.P.'s. It is estimated that some 15% of the miners brought into Canada were married and that so far the bulk have applied for permission to bring their wives and families out. In fact about 175 miners have already agreed to pay the extra $175 per person (difference between ship and air fare) to fly their families out. Some of these men have saved $1,000 since coming to Canada.

In the meantime a number of the producers have already provided living quarters to house the families and in many instances other companies are supplying materials, repayable out of salary deductions, to enable the D.P.'s to build modern homes.

Here is a mine-by-mine tabulation showing how the Canadian mining industry has absorbed displaced person labor and indicating how many additional D.P.'s are required to fill requirements for underground jobs:

Company	No. Absorbed	No. Still Required
Bathurst Feld.	10	..
Belleterre	5	..
Black Donald	6	..
Buffalo Ank.	13	..
Campbell R. L.	39	11
Can. John-Man.	24	..
Can. Malartic	10	..
Central Pat.	65	10
Chesterville	15	..
Coniaurum	15	..
Cons. Beattie	25	20
Cons. Cent. Cad.	14	16
Delnite	34	..
East Malartic	69	31
East Sullivan	43	13
Golden Manitou	45	5
Hallnor	11	..
Hasaga	36	..
Hollinger	170	..
Kerr-Addison	67	23
Kirk. Lake	20	..
Lake Shore	48	..
Lamaque	40	5
Leitch	6	9
Little Long Lac	26	14
Louvicourt	14	11
Macassa	27	8
MacLeod	..	20
Madsen	75	15
Malartic G. F.	53	37
Matachewan	10	..
McIntyre	62	..
McKenzie R. L.	6	6
Noranda	251	..
O'Brien	45	..
Pamour	30	..
Paymaster	41	..
Perron	40	..
Pickle Crow	97	20
Quemont	15	15
Renabie	37	19
San Antonio	99	..
Senator Rouyn	27	..
Sigma	47	14
Siscoe Metals	..	8
Starratt	25	..
Stadacona	19	..
Sullivan Cons.	43	17
Sylvanite	42	..
Teck Hughes	20	..
Toburn	10	..
United Keno	41	9
Waite Amulet	100	20
Wright-Hargreaves	12	10
Total	2,144	386

Steep Rock Opens "A" Zone On Ottawa-supplied Funds?

The long-awaited plan of Steep Rock Iron Mines to mine its "A" ore body took a further step toward reality this week with Trade Minister C. D. Howe's announcement that negotiations were under way for $7 millions aid to the company.

Successful culmination of Government-company financing would place Steep Rock in the position to boost iron ore output from something over one million tons annually to in excess of three million tons per year; provide substantially greater tonnages of high-grade Canadian ores for blast-furnace operators in the United States; and give Canada several million dollars more annually in American dollars.

About three weeks ago, Chairman Cyrus S. Eaton, acting on behalf of the company, made an application to the Export-Import Bank, Washington, for a $5 millions loan. Canadian government financing would remove necessity of outside financing, it is understood.

Entire production at the mine so far has been drawn from the "B" ore body which produced approximately 1.2 million tons last year. The "A" and "C" ore bodies have not been opened. As at May 1, 1947, the "A" zone was estimated to contain 7,183,620 tons of proved ore and 46,354,164 tons of probable ore, a total of 53,537,784 tons to depth of 600 ft. The "B" zone contained 14,162,482 tons of proved and 4,781,412 tons of probable ore, a total of 18,943,894 tons to depth of 700 ft. Both ore bodies are open at one end and two drill holes extending to 1,250 ft. below bed rock remain in high-grade ore. The "C" ore zone has been explored for a length of 800 ft., open at both ends, across 200-ft. width.

Assuming that ore zones extend to 1,250-ft. depth with proved tonnage of 15 million tons per vertical foot in "A" and "B" zones, United States Bureau of Mines says minimum possible ore in the two zones reaches 187,500,000 tons.

Siscoe Gold Output Down in Seven Months

Bullion production at Siscoe Gold Mines fell off to $341,128 from treating 36,767 tons of ore averaging $9.28 gold per ton in seven months of 1948, down from $466,952 from 44,155 tons of ore averaging $10.57 in same period of 1947.

Output totaled $58,474 from 5,826 tons of ore milled in July, when average recovery was $10.01 gold per ton.

McGILLIVRAY CREEK COAL & COKE CO. earnings in 1947 showed considerable improvement over 1946, due mainly to reclaiming a considerable tonnage of coal from a refuse dump laid down some years ago, before the installation of modern wet washery plant. Mine output decreased 21.65%, reflecting serious impact of the 40-hour week. Valuable exploratory work was accomplished. Net profit in 1947 was $20,782. Current assets were $707,922 and liabilities $79,880 at Dec. 31.

OIL PRODUCTION

Prairies May Pour Out 11 Million Bbls. in '48

From Our Own Correspondent

CALGARY — Prairie Province June oil Production rose to a new record of 983,111 bbls. to boost six months' yield to 4,843,962 bbls., an increase of 1,444,054 bbls. over the same period in 1947. June yield averaged 32,770 bbls. daily compared with 26,615 bbls. daily in first half year and 18,784 bbls. in same period of 1947.

With continued growth expected, 1948 should ring up a total exceeding 11 million bbls. compared with 1947 total of 7,344,174 bbls. and 1942 record of 10,136,296 bbls.

Leduc displaced Turner Valley as top producer in June with a daily average of 13,294 bbls. compared to the Valley's 12,377 bbls. Lloydminster region was third with June average 4,937 bbls. Other leaders included the Princess with 652 bbls. daily, Taber with 592, Conrad with 488 and Vermilion with 309 bbls.

* * *

Atlantic Flow Easing

The wild Atlantic No. 3 well is running about 8,000 bbls. daily and the conservation board contractor continues efforts to complete two relief wells in plan to flood the wild producer with water. The flow is slowly, but steadily, subsiding from peak exceeding 14,000 bbls. In July, Atlantic produced 312,528 bbls. or an average 10,081 bbls. daily. By the end of July the total 865,732 bbls. accounted for, included 643,023 bbls marketed by the board for about $1,913,000; 39,231 bbls. marketed by Atlantic Oil for $113,769; and 183,478 bbls. restored to formation. The board has used proceeds to pay cost of control efforts. Disposition of any proceeds, after paying oil royalty claims, surface and other damages, has not yet been determined.

* * *

New Leduc Wells

The Leduc field has more big wells on steady production at restricted allowables. Continental Leduc No. 8 rates flush potential of 1,800 bbls. daily. Imperial 58 rates 1,200 bbls. Imperial 77 rates 2,582 bbls. and Imperial 81 rates 1,896 bbls.

Globe Leduc West team filled pipe in seven minutes and flowed oil in D3 zone drillstem test Monday at No. 5 well, assuring a high degree of success for this well which was redrilled directionally upstructure after the first straight hole topped D3 below waterline. Globe Leduc West No. 6 is setting casing in D2 zone where a good oil well is assured after plugging off water bearing D3, far west side of field.

Home Oil Leduc No. 11 is the company's eighth consecutive oil success at Leduc, with drillstem test giving oil flow at surface in only five minutes. Casing is set for production.

* * *

Operation Muskeg

Operation Muskeg, Canada's costliest single exploration project to date, has found Madison Limestone objective and set casing a short distance in at 9,654 ft. Northwest Alberta Foothills Wildcat, 80 miles north of Jasper, has cost far over $1 million to date, due to the expensive road building to the remote site, hard drilling and costly supplying. The backers are five major companies, Imperial, Shell, Gulf, Socony-Vacuum, and McColl-Frontenac.

* * *

Enlarge Structure Tests

California-Standard Co. has stepped up tempo of its geophysical and structural test programs in Alberta and Manitoba, and British American Oil Co. has enlarged its geophysical program in Alberta.

California-Standard, a leader in South Alberta Plains exploration and development since 1941, has added another contract seismograph crew in Manitoba, and two more core-drill units in Alberta. The additions raise total units in operation to an even dozen, including five seismograph parties, three gravitymeter crews and four structure test drill units.

In Manitoba, where Cal.-Standard is exploring a large area in the southwest corner of the province, a second Geophysical Services Inc. seismograph starts work this week

MORRIS SUMMIT GOLD MINES says that diamond drill hole No. 334, drilled from main tunnel of Salmon Gold mine to cut the 3002 vein at about 100 ft. below drift level, returned high-grade ore across 44 in. At 25 ft. further to the south, drill hole cut additional values.

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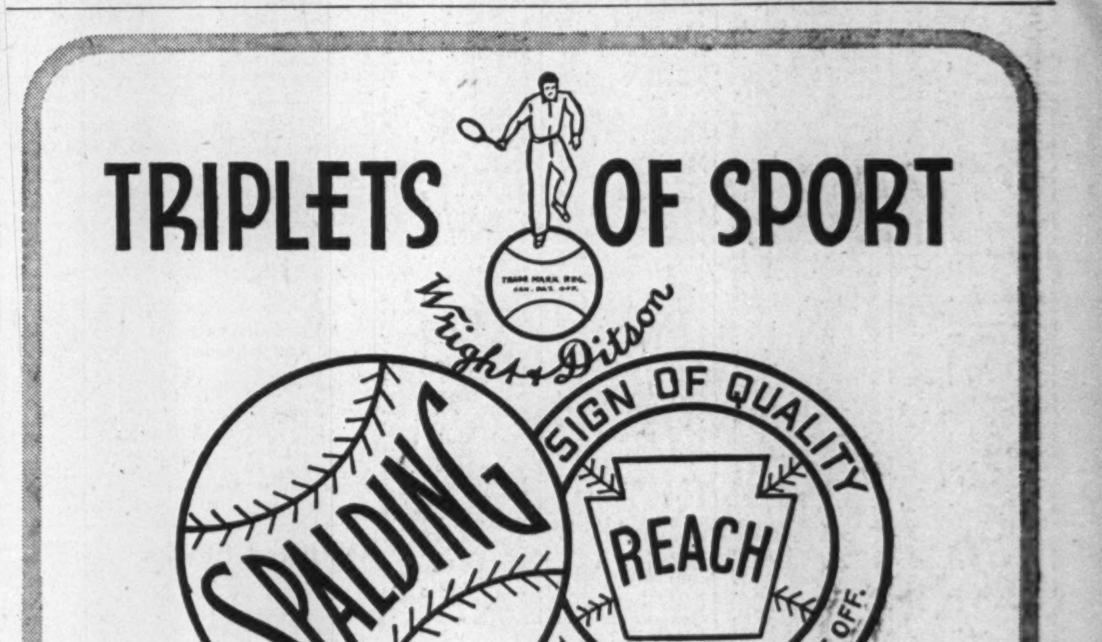

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Here's How Central Pat Gold Mines Is Making Ore News and Profits

By CLAUDE H. TAYLOR

President Fred M. Connell and his 250 hard rock miners are making ore news and profits at Central Patricia Gold Mines these days.

So far this year Connell's underground crews have added some two year's ore reserves to the life of the mine and headed operations to the best per share earning record since 1943, The Financial Post understands.

Overcoming a net loss of approximately $47,000 last year, Central Pat. has already chalked up a profit several times the loss, in the first six months of this year, and sighted guns on a $400,000 net profit, or perhaps 16-cent per share earnings for 1948. In addition the company has tacked on some $250,000 to year end working capital of $968,457, after paying for extraordinary development costs during the period.

The directors' action in suspending dividends last year—as a measure of cash conservation—is really paying off for the mine and for shareholders alike.

Open Up Good Ore

Better-than-mine average grade is being opened from the 2,950-ft. to the bottom or 3,400-ft. level (in fact new ore has been opened all over the mine) and directors can now see a fairly early return to regular dividend payments. However, before dividend policy is set Connell wants to carry the mine to further 500-ft. depth to 3,900 ft. and then perhaps sink an additional 1,000 ft.

Completion of Central Pat's winze 434 ft. to 3,400 ft.—long delayed during war years—has enabled the company to investigate depth possibilities of the mine and of the "B" ore zone. The long 700-ft. drive east of the shaft, on the 3,400-ft. level, has cut better-than-average grade ore with first 24 tons of muck running 0.449 oz., or $15.72 per ton across drift width. Limited development acomplished so far does not permit an accurate estimate of grade, but officials foresee a sizeable tonnage of ore in the "B" zone between 2,950- and 3,400-ft. levels. The east drive on the 3,100-ft. level has about 250 ft. to penetrate before reaching the "B" ore zone. Work on the new 3,250-ft. level will be deferred for present.

New ore structure recently opened, east of the shaft on the 3,100-ft. level, is believed the downward extension of the "F" zone, previously developed on the 16th level. The showing was opened for a length of 72 ft. averaging 0.25 oz. to 0.31 oz. across a width of 4.4 ft. The zone was found to occur to the west of the main ore bodies and was encountered while crosscutting to the "B," located several hundred feet to the east. The area is being bypassed and will be developed at a later date.

Mill Tonnage Is Up

While this underground program has been going on the company has steadily built up mill tonnage from the low of 234 tons daily in tail end of 1947 to current average of 410 to 415 tons daily, actually hitting as high as 450 on odd days. Gradual growth in mill treatment—handling ore well above mine average of 0.31 oz.—has boosted production and brought estimated profits to around $147,000, excluding cost aid of $42,500, in first six months this year. A steady diet of over 400 tons daily for balance of the year is expected to show profits substantially above the initial six months.

Marked accomplishments in underground development and higher mill average, according to President Connell and Secretary Alan Cockeram, have been made possible through displaced person aid. To date Central Pat has added some 65 D.P.'s to the payroll and has applied for an additional 10 to 15. Even with the help of the former Europeans the company has found the going pretty rugged from time to time owing to the constant turnover of Canadian labor. Employment records show a steady 10% to 15% turnover monthly with the mine ending with a net credit of one to two men. Introduction of D.P.'s labor has cut absenteeism from a normal 10% to less than 2%.

Central Pat's outside exploration is confined to surface drilling area between the mine and neighboring Pickle Crow Gold Mines, and geologizing acreage at July Falls, about 19 miles east of the mine. Future development at July Falls more or less depends on results secured in current program. Participations are also held in outside exploration teams.

West Wasa Blasting Open Surface Finds

Blasting operations, preparatory to open cut mining should tonnage warrant shipments to the Noranda smelter, are being carried out by West Wasa Mines, President Cyril T. Young states. Copper showings have now widened out from original surface indications of only a few feet in size to 30 ft. by 40 ft. at No. 1 find and 12 ft. by 60 ft. at the No. 2 show.

Angle drilling is to start following completion of blasting to learn the attitude of the ore in the altered rhyolite to the adjoining intrusive diorite dykes.

Sheep Creek Net $130,000 Boosted by Zincton Sales

From Our Own Correspondent

VANCOUVER—One of the few British Columbia gold mines expected to produce a profit this year is Sheep Creek Gold Mines. Directors estimate net earnings will probably be $130,000, largely the result of increased and efficient zinc production at the wholly owned subsidiary, Zincton Mines, but also aided by a profit on gold operations, too.

Profit from gold operations may exceed $43,000 and gross earnings during the fiscal year, ending May 31, may exceed nine cents a share.

Sheep Creek was originally a straight gold producer; but in 1940 company policy was changed and the Lucky Jim mine was taken over and put into production of zinc concentrate and later lead. Zincton Mines took over Lucky Jim.

In June of this year Sheep Creek Gold Mines suspended mining and milling, according to President A. E. Jukes, because of "unsatisfactory conditions" governing mining and milling. The company, he said, would not exhaust more of its gold reserves until an adequate price for gold made it profitable.

The company also holds operating control of Vananda Mines (1948) which has made its first shipment of ore to the Tacoma smelter. Mining is at present at rate of about 50 tons daily, and the property is expected to be in full operation in September when the 125-ton concentrator is completed.

Sheep Creek recently took up options to buy remaining shares of Congress Gold Mines, which holds property in the Bridge River Valley. The mine is being maintained.

The Zincton mine, which netted $6,000 in 1947 is expected to gross about $140,000 and to net about $90,000 this year. Production is around 10 million lb. of zinc this year, against six million last year. This mine also produced 280,000 lb. of lead and 58,000 lb. of cadmium.

MINING CONCENTRATES

AURLODE GOLD MINES has changed its corporate name to Embury Lake Mining Co.

* * *

BAYONNE CONSOLIDATED MINES has expended $180,000 on exploration and development since reopening of the property, President E. M. Thomson states in report for year ended Apr. 30, 1948. Current assets were $14,309 and liabilities $4,845.

* * *

BRIDGE RIVER CONSOLIDATED MINES has been inactive since November, 1946, when the property was closed down. Directors feel that with rise in costs of operations, all further work should be postponed until there is a change in conditions, President E. M. Thomson states in annual report for year ended Apr. 30, 1948. Current assets were $2,595 and liabilities $615 at Apr. 30.

* * *

CHESTERVILLE MINES has declared a dividend of five cents a share, payable Oct. 15 to shareholders of record Sept. 30. This brings payments for 1948 to 10 cents per share.

* * *

CONCORD MINES has awarded a diamond drilling contract for a 10,000-ft. program on its Windy Lake property. Drilling sites are being spotted and Managers Geo-Technical Development Co. are mapping the general locality to provide fullest possible information on geology. A geophysical survey completed some time ago disclosed six strong zones of magnetic intensity.

* * *

CROSS FAULT GOLD MINES has changed its corporate name to Cross Fault Mines.

* * *

DOME MINES bullion production was $464,574 from handling 52,400 tons of ore, an average recovery of $8.87 gold per ton in July ($454,534 from 52,100 tons and $8.72 average in June).

* * *

HISLOP GOLD MINES Ontario charter has been accepted for surrender and will be canceled Aug. 23.

* * *

LOUVICOURT GOLDFIELD CORP. has located downward extension of the principal ore zones (A—B) on 675-ft. level where work is proceeding on schedule. Three ore shoots, totaling a length of 373 ft. have been developed on 375-ft. level with grade of muck samples averaging $7.24 across drift width. July bullion production of approximately $63,000 was about $3,000 greater than June output. Government assistance for the month approximated $29,000. The mine delivered 13,964 tons of ore from which 1,684 tons of waste, averaging less than 35 cents per ton, were discarded at the picking belt. Balance of 12,281 tons grading $5.47 per ton was treated in the mill.

* * *

MACHO RIVER GOLD MINES advises that shearings in which high grade assays have been obtained in drilling and surface trenching have been proved to extend a further 200 ft. to the north.

* * *

SIGMA MINES (QUEBEC) reports bullion production of $202,320 from treatment of 34,596 tons of ore and average recovery of $5.85 gold per ton in July ($200,519 from 33,690 tons and $5.95 average in June).

* * *

THORIUM EXPLORATION & GOLD has been granted a security issuer's registration, permitting William George Smith and George Harold Finland to sell shares on basis of 75% of proceeds going into treasury of the company. Authorized capital is three million shares; issued none; escrowed 900,000 shares; filed July 23.

* * *

UNITED ASBESTOS CORP. advises that under March 30 agreement filed with the Ontario Securities Commission, James Murray Anderson has purchased 340,333 shares at 15 cents. By later agreement Anderson has subscribed for an additional 109,662 shares, payable by Nov. 15 and has optioned a further 1.2 million shares, being 300,000 shares each at 20 and 25 cents and 150,000-share blocks at 50, 60, 70 and 80 cents.

* * *

OIL & GAS OFFSETS advises that E. McLean has agreed to purchase 16,000 shares at 15 cents, payable within five days after acceptance of filing of agreement with Ontario Securities Commission. Mr. E. McLean has received an option on a further 575,000 shares as follows: 175,000 shares at 15 cents and 200,000 shares each at 20 and 25 cents, all payable within 18 months. Authorized capital is three million shares; issued 1,000,005 shares; escrowed 900,000 shares; filed July 19.

Release From Escrow

The Ontario Securities Commission has given consent to share releases of following companies:

CHERRY'S FARMSTOCK REMEDIES—Release of all escrowed shares on Aug. 12.

GENALTA PETROLEUMS—Release of 25,000 shares, pro rata, on Aug. 12. Remaining shares in escrow total 875,000.

JUPITER OILS — Release of 150,000 shares, pro rata, Aug. 10. There remain 150,000 shares in escrow.

PRINCESS PETROLEUMS—Release of 1,000,000 shares, being all the escrowed shares, on Aug. 12. It is the Commission's understanding that consents of Alberta and British Columbia Commissions must be obtained in connection with release of this stock.

SENORE GOLD MINES — Release of 500,000 shares, being all the escrowed shares, on Aug. 11.

SILVER BASIN YUKON MINES — Release of 500,000 shares, pro rata, on Aug. 12. There are 1,000,000 shares remaining in escrow.

Silanco to Work Timiskaming Vein

Mining of the high-grade No. 4 vein on the 575-ft. level at the Timiskaming mine of Silanco Mining & Refining Co. is to get under way, Mine manager J. E. Bureau states. Stoping has been carried out for a vein length of 40 ft., with high-grade silver reported showing in the back and in both faces.

The Silanco mill is currently treating about 90 tons of ore daily from the Agaunico mine, with principal mill feed drawn from the No. 1 stope. No. 3 stope, providing about 20% of millable ore, is on a vein running at right angles to No. 1.

Work at the Beaver mine is being confined to stoping No. 5 vein on the 200-ft. level. Machines are to be placed in operation on Nos. 3 and 5 veins on 500-ft. level, where silver values have been reported.

Cons. Homestead Gets Oil Showing

The initial showing of oil saturation has been encountered in the Colony sands of the Consolidated Homestead - Baxter Lake No. 1 well. Some 17 ft. of sand from 2,022 ft. to 2,039 ft. was gun perforated and bailing is now in progress at rate of three barrels per hr. of 14.3 gravity oil.

The well, being drilled under direction of Pan Western Oils on a 50-50 basis with Consolidated Homestead Oil Co., showed a small percentage of water in first bailing, but this has since exhausted itself. Consolidated Homestead holds 6,560 acres of leases in the area.

Perron Speeds Lateral Work

A more ample supply of labor is now permitting a marked speeding up of development on the first level and on lower horizons of the North zone at Perron Gold Mines, The Financial Post is informed.

Ore bearing area indicated by surface drilling has been reached on 175-ft. level after driving a crosscut 1,200 ft. west of the shaft. Ore structure has been drifted on for 100 ft. with characteristic flat-lying quartz in altered granodiorite showing across widths of 5 ft. Earlier drilling indicated total extensions up to 600 ft. across 300-ft. north-south widths.

The company anticipates proceeding with extensive underground development of the North zone where work has been resumed on the 1,000-ft. level. A raise, driven from 1,000-ft. to sub-level at 850 ft., opened up new ore structure.

Initial 1,350 tons in the 8,000 ton contract has been shipped from the Bevcourt to Perron for treatment. Schedule calls for shipments of 150 tons daily.

TRANS-LEDUC OILS has granted an option to John Francis McGinn on 1.2 million shares in 300,000-share blocks at 7, 10, 12½ and 20 cents a share. Authorized capital is three million shares; issued none; escrowed 900,000 shares; filed with Ontario Securities Commission Aug. 4.

Cuts New Zone At North Inca

North Inca Gold Mines has intersected a new high-grade ore body while driving south on the most promising of a series of gold bearing quartz veins on first level, The Financial Post is informed. The occurrence is said to suggest a dragfold type of ore body plunging steeply north, and lying between Nos. 1 and 3 veins, and to account for the fact that the body was not intersected in early surface drilling.

A drive to the south on the east limb of the new No. 9 vein has gone 65 ft. with face samples assaying 1.14 oz. in gold across 2.5 ft.

The north face of the east limb of No. 9 vein has been driven for 40 ft. averaging 0.7 oz. across 1 ft. West limb, which assayed 4.46 oz. across 3 ft., will be driven on as working conditions permit.

North Inca has started first of a series of deep drill holes from 180-ft. level station to intersect Main shear zone body under the lake at a minimum depth of 600 ft. vertical.

With sufficient working capital now in its treasury the company has completed plans to extend the shaft to 300-ft. depth and carry out some 2,000 ft. of lateral work on a new level to be established.

Smelters Orders Large Rod Mill

A new rod mill, believed the largest of its kind ever constructed, has been ordered for the Sullivan concentrator by Consolidated Mining and Smelting Co. of Canada. Designed by The Hardinge Co., of York, Pa., the rod mill will be manufactured by John Inglis Co., Toronto, at a cost of approximately $30,000.

Part of the equipment for the sink and float project now near completion at the Sullivan mine, the rod mill will have a diameter of 11 ft. 5 in. and will be 12 ft. long. The rods will be a mixture of 3 in. and 3½ in. weighing 95 tons. Power will be supplied by a 720-rpm, 1,000-hp synchronous motor made by Canadian Westinghouse Co., Hamilton.

AN ATTRACTIVE GOLD MINE BOND ISSUE
Dickenson Red Lake Mines Limited
Type—5%, 10-year, 1st Mortgage.
Amount of Issue—$1,000,000, of which over $750,000 has been paid for.
Price—$950 per $1,000 bond, carrying bonus of 250 common shares.
OVER $8,000,000 in ore averaging from $12 to $14 per ton is estimated in the Shaft area and three other areas accessible from present underground workings.
200-ton Mill now under construction.
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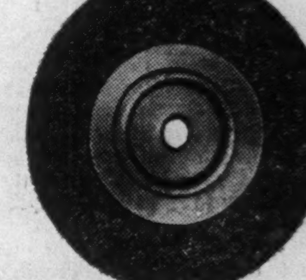
Our fully illustrated catalogue No. WW-47 describing all types of Wire Wheels and Industrial Brushes mailed free on request.



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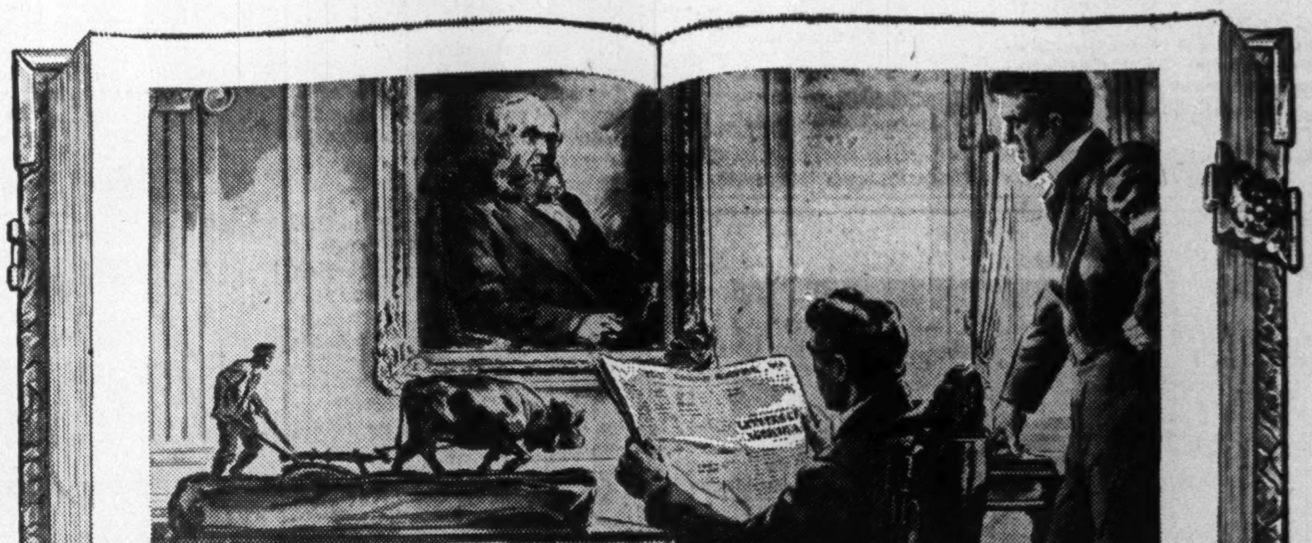
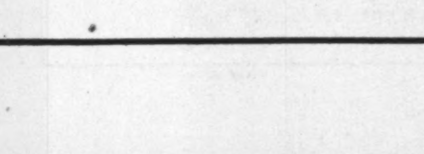
CALVERT 1622 Famous Families YOUNG 1799



In 1818 John Young, Scottish immigrant, wrote "Letters of Agricola" to the press which were instrumental in stimulating agriculture in Nova Scotia. His two sons, Sir William and George Renny, lawyers and statesmen, were both members of the Executive Council and Speakers of the Assembly. George founded the newspaper "Nova Scotian" while Sir William became Premier of the Province and later Chief Justice, a position he held for twenty-one years. A notable record of a truly distinguished Canadian family.

Great Families Create Great Nations
Distinguished English Statesman and Secretary of State to King James I, Calvert, head of the famous Calvert family, founded pioneer colonies in Newfoundland and Maryland early in the 17th Century.
Calvert and his descendants encouraged their settlers to clear and cultivate their land. The Calvert family also introduced principles of freedom and tolerance, hitherto unknown in the New World. These Calvert ideals were perpetuated down through the succeeding generations of the Calvert family.
The family is the corner-stone upon which great nations are built. Let each of us promote within the great Canadian family, the same concepts of freedom and tolerance pioneered by the Calvert family over three hundred years ago.
The Calvert family promoted land clearing and agriculture among their settlers.



Calvert DISTILLERS (Canada) Limited
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LONDON CALLING—By Adelphi

Churchill, Attlee Clash on Hyderabad; Cripps Seeks to Solve Irish Problem

LONDON—No one wants rain on August Bank Holiday, but the drenched millions making their soggy way home from the seaside, the countryside and the parks, consoled themselves by getting some release from the most intense heat wave in many years. The British are not equipped physically or temperamentally for extreme cold or extreme heat.

The merciless sun, producing a temperature of over 90, slowed up the Stock Exchange until it hardly ticked over at all. The last three months have produced a paralysis which must begin to make brokers wonder how they are going to live. There is not even a slump to set the telephones ringing; just stagnation.

One of the tragic features of the heat wave was the death of three cadet officers at camp on the same day. They were doing an eight-mile walk-run march with heavy equipment. The Daily Mail has bravely supported the military point of view that training for modern warfare must allow for accidents and fatalities. Common sense answers that a boy who has fallen down five times from exhaustion should not have been allowed to go on, no matter how plucky his spirit. The Army has set up a court of enquiry, but the civil coroner's jury quite rightly brought in a stinging reproof.

• • •

Churchill Champions Nizam of Hyderabad

Parliament adjourned for six weeks after a stormy row between Winston Churchill and Premier Attlee over Hyderabad, and after Sir Stafford Cripps had been angrily questioned over the appointment of an American industrial committee to advise the British how to increase their production.

The word "India" will be found engraved on Churchill's heart and his chivalrous spirit is outraged when he sees his old friend the Nizam of Hyderabad being crushed by the dominionization process. However, Attlee was in no mood for apology and he flicked some neat lefts to the Churchillian chin in response to a succession of haymakers.

• • •

Cripps also refused to apologize. With his perfectly balanced legal brain, he argued that since we needed more production, he would be glad to have the advice of any highly industrialized country. When the Tories asked him what he would say if the American committee advised the abolition of nationalization, Cripps retorted that the committee's scope did not include the political sphere.

The truth is that Cripps is a man of great ability but is a hopeless psychologist. He never will understand the ebb and flow of public opinion.

• • •

Seek Solution Of Irish Partition

The Northern Irish are asking if it is just coincidence that Cripps is going to Belfast for a short holiday as the guest of Premier Sir Basil Brooke and that Attlee is going for a holiday to Eire. The Southern Irish have discovered that Ulster is something of a gold mine with its favorable trade balance, whereas Eire is romantic but financially in the red. So Premier Costello wants to reopen the question of the partition between the North and South.

Mr. Costello says there is no danger of Eire's being neutral in the next war, since Russia would be the enemy and the whole Catholic world would be lined up against the atheists of Moscow. Therefore, the North needs no longer fear that its ports, under a united Ireland, would not be available to the British.

Sir Basil Brooke and his Ulster Government will not agree to abolishing the border and would certainly go to war rather than submit. However, Sir Stafford Cripps has a vast belief in his own capacity for solving the insoluble, and it is donkeys to doughnuts that he and Sir Basil will discuss the subject.

• • •

Now I must make amends. In my last two messages from London I indicated that there was little advance interest in the Olympic Games and that the preparations were haphazard. I should have remembered that the British are the greatest organizers of pageantry in the world.

The opening ceremony at Wembley in the presence of 100,000 people was perfect and very moving. The King did the opening, the runner reached the Stadium with the Torch which had been carried all the way from Greece, the bands played, the athletes paraded and everything went off as if it had been rehearsed for months.

Even the roads which were being repaired were miraculously put into commission. On the whole, the games have proved a tonic to national morale, not that the British have won any dazzling victories (although they have done well) but because the pessimists believed it impossible that, in our weary and battered condition, we could handle the myriad problems connected with the games.

• • •

Stalin Gambles On United Germany

In foreign affairs, it is assumed that the Moscow conversations are going reasonably well, in spite of the stiff demands of Russia. It is typical of the semi-oriental mind of Stalin that he wants a united Germany rather than a divided one. Such a Germany might conceivably become an ally of Russia but the odds are enormously for the opposite.

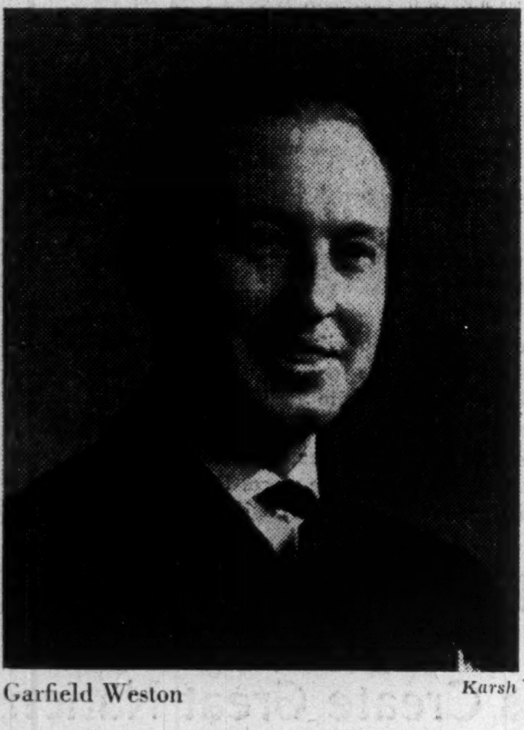
There was much to be said for a divided Germany, which would prevent her becoming the sought-after courtesan of the future. France will undoubtedly fight furiously against a central German Government. The Germans have invaded France three times within living memory, and to the French, there is one supreme enemy.

Poor Ernie Bevin declared when he was first appointed Foreign Secretary that he would take part only in open diplomacy, with the cards face up on the table. Now, like all other foreign ministers, he sits under the table with his cards held close to his breast. Yet he retains the respect and good will of the people even if the 40 fellow-travelers in the Commons howl at him like jackals.

His near namesake, Aneurin Bevan has flown on holiday to Rome. No doubt he wants to check up on how Caesar, Nero and Mussolini put it across. His ambitions soar like a rocket on its way to the moon.

• • •

Now, with your permission Adelphi will also disappear for a fortnight; but merely to hit a golf ball and wonder why all putts in England appear to be just on the right lip of the hole.



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The spectacular success story of Garfield Weston, the man who parlayed a modest bread and biscuit business into the world-girdling Weston Empire, appears in Maclean's Magazine—out today. Don't miss this outstanding feature! Read "Big Dough in Bread" by Matthew Halton in August 15 Maclean's.

MACLEAN'S

CANADA'S NATIONAL MAGAZINE

A MACLEAN-HUNTER Publication

Fisher, Ludlow To Open Plant

James Sweeny Heads U. K. Firm's New Canadian Subsidiary

Fisher & Ludlow (Canada), Toronto, with a two-month-old Dominion charter is setting up shop in 9,000 sq. ft. of space in suburban Long Branch leased from Canadian Arsenals Ltd., a Crown company.

The new firm, subsidiary of Fisher & Ludlow, Birmingham, Eng.—"largest and most modern metal fabrication organization in the British Empire"—intends to specialize in (a) contract sales of semifinished steel products to other manufacturers, and (b) final assembly of the "Flow" line of materials handling equipment. Assembly equipment is being installed. Machine shopwork will be subcontracted locally and facilities of the parent company utilized for punch press work..

Development of the Canadian operation will be in the hands of a capable industrial engineering company, according to James F. Sweeny, president and general manager. "This method of operation has been decided so that during the period of expansion, progress will be made as necessity arises, so that key personnel will be able to take over specific departments the functions of which will have been organized in advance. Production workers will be taken on at a rate governed by progress of such organization, by steel supply and by space available."

Main plant of Fisher & Ludlow at Birmingham boasts over 1.5 million sq. ft. of floor space, giant presses, extensive assembly lines for mass production, special furnaces for automatic annealing of stainless steel, a modern vitreous enameling setup. Subsidiary plants mass-produce auto bodies, conveyors, open steel flooring, steel storage systems. Output includes a wide range of components and assemblies for such industries as railway, shipbuilding, mining equipment, power stations, brewing. Under license Fisher & Ludlow is completely fabricating the Bendix Home Laundry for Europe, South Africa and Australia. It turns out auto bodies for Standard, Standard Vangard and Hillman, and parts for other British cars.

Officers of the Canadian company are: Roland J. Peace, chairman; James F. Sweeny, president and general manager; C. A. Remfry, vice-president; J. K. Brower, secretary. Mr. Peace, secretary of the parent company acts on behalf of its board for all subsidiaries. Mr. Sweeny is the only shareholder outside of the parent company. He and his brother, George R. Sweeny have acted prior to the incorporation as agents for Fisher & Ludlow Ltd. Mr. Remfry is general manager of the Gridway division of the parent company. Mr. Brower is a Toronto lawyer.

Dexter Locks Made In Guelph, Ontario

Guelph, Ont., claims the latest of this season's crop of branch plants from United States. It is Dexter Lock, recently formed Canadian subsidiary of National Brass, Grand Rapids, Mich. Dexter Lock, managed by Canadians, is now making tubular locks and latches with lock internals of cold rolled steel.

TOBURN GOLD MINES advises that bullion output was $68,273 in June, bringing production for six months to $247,061 from treatment of 20,501 tons ($30,000 in June and $283,320 from 22,626 tons in 1947 period).

ONTARIO HOLIDAY *Scrapbook*

A LITTLE bit of England—that's the Thames Valley in the heart of southwestern Ontario. The River Thames winds graciously through rolling, fertile country. There's the fine modern city of London . . . and any number of beauty spots in the vicinity that spell holiday fun and relaxation. For route and accommodation details, write to Ontario Holiday, Room 1004, Victory Building, Toronto.

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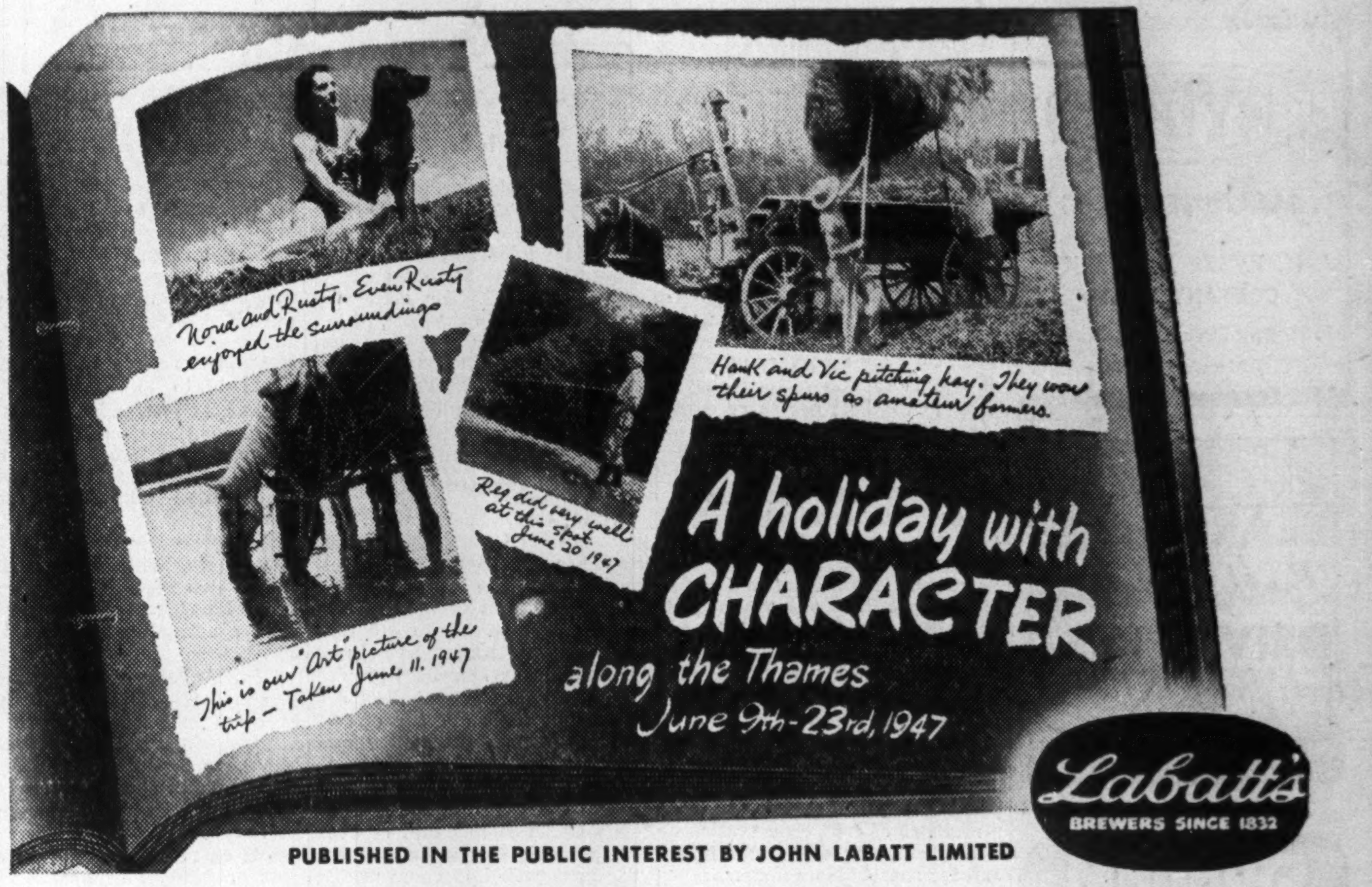

PUBLISHED IN THE PUBLIC INTEREST BY JOHN LABATT LIMITED

Fight Vanc. Business Tax As 'Exorbitant, Inequitable'

From Our Own Correspondent

VANCOUVER — Vancouver's business tax has, in its short span of life, grown into one of the most unpopular, many-headed ogres the business community of the city has ever seen.

Imposed July 1, retroactive to the first of the year, the levy has been disputed and decried by nearly everyone in business, from hairdressers to barrel-makers. It has already been threatened with three legal tests.

Even British Columbia's new 3% sales tax has been forgotten in the loud protests which have risen at the Court of Revision on the business tax.

It was introduced after a lengthy study of similar levies in other Canadian cities. At first Council wanted to break business up into classifications and tax each group a set amount; but after arguments with business associations it was agreed to tax a straight 11% of rental value. A stipulation was imposed, however, that the city would not collect more than $2.2 millions; a little more than double the revenue from the old business license fee system.

Some Upped 2,000%

The city needed the extra money to pay increased costs, and boosted salaries for civic employees, and business in general agreed that it should be raised.

When businessmen, merchants and manufacturers received their notices from the Assessment Commissioner on the rental value of their properties, however, in practically every case the rental assessment was considerably higher than the actual rent being paid. Some businessmen said their tax was 500% to 2,000% of their old license fee.

Aldermen were taken aback, and, as the protests grow, seem more undecided than ever what to do about the tax. At present the situation is in a turmoil, but it seems almost certain that the basis of the levy will be changed next year.

Some aldermen think the tax could be returned to the originally suggested classification system, while others suggest that the city could raise the needed money by the simple method of doubling the old license fees.

Three Appeals to Court

But this hasn't appeased the business groups. Already Gen. J. A. Clark, K.C., on behalf of Canada Packers; T. G. Norris, K.C., representing the Retail Merchants' Association, and Barrister J. D. McPhee, have indicated that they would test the impost in the courts.

Some firms have said they will close down, others that they will move to lower rent districts. Leo Sweeney, one of Vancouver's most prominent boosters, declared that he may have to close his large city cooperage plant, and move operations to a smaller plant in Victoria.

Gen. Clark in an appeal against a $38,180 rental assessment on Canada Packers Limited plant on Terminal Avenue argues that the taxation bylaw is ultra vires; that it exceeds the powers conveyed in the provincial statute.

Mr. Norris contends the tax is illegal on grounds that: 1. the Council has no power to fix a flat taxation rate for businesses. 2. the bylaw is "bad law" because there is no classification.

Nearly 800 businessmen have indicated that they plan appeal to the Court of Revision. Already assessments have been cut nearly $100,000 as business groups argue with council members.

The Retail Merchants' Association says that out of 508 merchants surveyed, only 10 will pay less this year than they did for license fees. Promise of more equitable treatment in 1949 "will not justify unfair treatment in 1948," said George Matthews, secretary-manager of the Association.

According to Howard Mitchell, president of the Vancouver Board of Trade, the tax won't be equitable even under changes proposed by some aldermen.

"People who think the classification system of levying the business tax would make nearly everyone happy, are deluding themselves," he declares. "Ability to pay cannot be judged on the basis of rental value, kind of business or numbers employed. If we are going to have a business tax as a permanent thing, we are going to have injustice or, at the best, very rough justice."

Three Magic Words...

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